



SUBSEA TRIALS TERMS & CONDITIONS

Scope of Company's obligations

To facilitate the carrying out of the Project, the Company will provide to the Client from 7th July 2012 (“**the Start Date**”) for the Duration:-

- the Services set out in Appendix 2, including having available the Equipment and Personnel and The Facilities, also set out in Appendix 2 to deliver the programme of works detailed in Appendix 5.

Payment

The Client will pay to the Company as consideration for the performance of the Services and the provision of the Facilities, the payments set out in Appendix 2.

Health and Safety/QMS

All Services and Facilities will be performed and provided by the Company only in accordance with and subject to the provisions of the Health and Safety and Quality Management Systems set out in Appendix 3.

Conditions of contract

The contract constituted by the Client's acceptance of this Proposal will be governed by the conditions set out in Appendix 4.

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Appendix 3 – HSE Quality and Management Systems

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1 Health and safety responsibilities

1.1 **The Underwater Centre** is part of the Crannog Concept Ltd group of companies. Overall and final responsibility for health and safety within The Crannog Concept Ltd. and its subsidiaries lies with the **Managing Director**. In the case of **The Underwater Centre** he has delegated this responsibility to: the **General Manager**. Responsibility is further delegated between the **Operations Manager** (general management of site and support services) and the **Diver Training Manager** (diver training and diving operations).

1.2 The general responsibilities of the management of The Underwater Centre are to:

1.2.1 Provide and maintain safe and healthy working conditions and to treat current Health & Safety legislation as the minimum requirement against which standards will be set.

1.2.2 Ensure adequate resources financial and otherwise are provided to ensure that provision can be made for health and safety within **The Underwater Centre**.

1.2.3 Ensure that all employees receive adequate safety training as part of a standard induction procedure together with any appropriate special training and keep records of all such training.

1.2.4 Produce all relevant information on safe operating procedures. This information will include any relevant Risk Assessments (as required under the Management of Health & Safety at Work Regulations 1999) and Hazardous Substances Assessments (as required under the Control of Substances Hazardous to Health Regulations 2002 - COSHH Regulations).

1.2.5 Supply to all employees all the necessary personal protective equipment (PPE) required under the current legislation. No charge will be made to the employees for the provision of such PPE.

1.2.6 To ensure the working environment of all employees is safe and without risks to health and that adequate provision is made with regard to facilities and arrangements for their welfare at work.

1.2.7 Promote regular safety inspections and ensure that any equipment requiring a mandatory inspection (such as electrical and gas appliances) is so inspected and that records of the inspections are kept.

1.2.8 Set an example in safe behaviour and safe working practices

1.2.9 The general responsibilities of **Employees** of **The Underwater Centre** are to:

1.2.9.1 Work safely at all times and to adhere to the established safe operating procedures laid down by management and report all unsafe situations, conditions or equipment to management.

1.2.9.2 Co-operate with the Company and help them meet their statutory requirements.

1.2.9.3 Liaise with management on all aspects of health, safety and welfare at work.

1.2.9.4 Wear protective equipment where necessary and utilise all safety devices (guards or cut-outs) fitted to any machinery.

1.2.9.5 Not interfere with or misuse such safety devices, as this is a breach of Health & Safety legislation and as such a breach of the terms of employment.

1.2.9.5 Report all accidents - those involving injury to persons, damage to plant or near misses - to management as soon as possible so that effective action may be taken to prevent recurrence.

1.2.9.6 Co-operate in the investigation of accidents or abnormal occurrences and help management implement any measures necessary to prevent recurrences of such incidents.

1.3 The "Competent Person" responsible for assisting in complying with health and safety legislation (as required under regulation 7 of The Management of Health and Safety at Work Regulations 1999) will be **RoSPA**. In this context **RoSPA** will give advice on complying with relevant legislation, assist with safety training deemed necessary, carry out safety inspections, investigate and report on any accidents/incidents and monitor the safety performance of **The Underwater Centre**.

1.4 Updates and changes in legislation are brought to the attention of **The Underwater Centre** by the **Group Health & Safety Manager** through talks and reporting procedures where the Company is kept updated of changes in legislation and press releases from the HSE affecting the safety and welfare of the employees.

2 Company Safety Rules

2.1 This section outlines the general rules laid down and which are applicable to all employees. These safety rules are prepared in accordance with legal requirements and with acknowledged safe working practices. In addition there is a legal duty imposed upon you to comply with these rules, as breaches of the rules will result in disciplinary action, possibly leading to dismissal.

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2.2 It should be remembered that a breach of health and safety legislation by you constitutes a criminal offence and action taken by an enforcing authority against you as an individual can result in heavy penalties i.e. fines and/or imprisonment.

2.3 We recognise that it is not possible to prepare safety rules that will meet every possible eventuality. However, we expect you to act in a sensible manner and, in particular, to obey all the instructions given by management to maintain or improve health and safety:

2.3.1 Whilst on the pier, hard hats and outer clothing containing an element of high visibility must be worn. 2.3.2 Whilst out on water, or if working in an area where accidental immersion is foreseeable, appropriate life preserver PPE must be worn.

2.3.3 No unauthorised operation of any item of machinery or equipment.

2.3.4 No horseplay or practical jokes, which could cause accidents.

2.3.5 No removal of machine guarding or overriding of safety interlocks.

2.3.6 No misuse of chemicals, flammable or hazardous substances or toxic materials.

2.3.7 No wilful damage to, misuse of, or interfering with any item provided in the interests of health and safety at work.

2.3.8 No unauthorised removal or defacing of any label, sign or warning device.

2.3.9 Smoking is only permitted in any designated "Smoking" area.

2.3.10 No smoking whilst handling flammable substances.

2.3.11 No making false statements or in any way deliberately interfering with evidence following an accident or dangerous occurrence.

2.3.12 No misuse of electrical equipment.

2.3.13 All plant and equipment must be operated, maintained and stored correctly, report any damage or malfunction.

2.3.14 Plant, tools and equipment must only be operated by those deemed competent (by virtue of training and/or experience to do so.)

2.3.15 Good housekeeping standards must be maintained throughout the site.

3 Advice and Information

3.1 The poster "Health & Safety Law - What You Should Know" is displayed in the **Changing Room (Pier), Corridor (Lodge) and Entrance (Ocean Frontier)**.

3.2 Information and advice on all matters of health and safety is available at any time from: The **Group Health and Safety Manager**

3.3 The Enforcing Authorities are:

The Health and Safety Executive

Diving Inspectorate
Lord Cullen House
Fraser Place
Aberdeen
AB25 3UB
Tel.01224252500

The Health and Safety Executive

Field Operations
Longman House
Longman Road
Longman Industrial Estate
Inverness
IV1 1SF

The Maritime and Coastguard Agency

Glasgow Marine Office
Navy Buildings
Eldon St



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Greenock
Inverclyde
PA16 7QY
Tel. 01475 553370

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The Environmental Health Officer

Protective Services
Fulton House
Gordon Square
Fort William
PH33 6XY
Tel. 01397 707002

3.4 The Employment Medical Advisory Service is located at:

HSE Field Operations Division
Belford House
59 Belford Road
EDINBURGH
EH4 3UE
Tel. 0131 247 2000

4 Training

4.1 The Company recognises that training is an integral part of its overall safety policy. Training records are kept & held with the Crannog Concept **HR Department**.

4.2 No person will be employed on any work involving any foreseeable significant risk unless he or she has received adequate training. They will also be trained to recognise the hazards involved and the precautions to be taken to reduce the risks to an acceptable degree.

4.3 All new employees will attend a safety induction period on the first day of employment. The safety induction for the new employees will include detailed information relevant to the employers and employees statutory duties under the various Acts. Also included will be fire prevention techniques, accident reporting and emergency procedures, together with information on any hazard specific to the work they will be asked to perform.

4.4 Management will receive any necessary training in health and safety to enable them to effectively control the areas for which they are responsible and to identify training needs.

4.5 The **Diver Training Manager** and **Diving Support Manager** will ensure that Safety Inductions for new employees are carried out and recorded.

4.6 The **Operations Manager**, with the assistance of the **Group Health and Safety Manager**, will identify future training needs of both employees and management.

4.7 The **Operations Manager** and **Diving Instructors** will conduct the necessary on the job training of new employees.

5 Monitoring Health & Safety

5.1 The management of **The Underwater Centre** will monitor Health & Safety issues by analysing accident trends, carrying out informal safety inspections of the workplace and informally consulting with employees.

5.2 All supervisory staff will inspect the workplace on a daily basis and immediately rectify any safety hazards they may find, using a standard checklist to record findings.

5.3 The **Group Health and Safety Manager** will carry out planned safety inspections quarterly, and also unannounced safety inspections of the workplace and provide a written report of the findings to the management of **The Underwater Centre** and the Board of **The Crannog Concept Ltd**.

6 Consultation with Employees

6.1 The **Group Health and Safety Manager** will consult with employees on matters relating to Health and Safety during regular inspection of the premises.

6.2 Concerns of employees on matters of Health and Safety may be communicated to the management of **The Underwater Centre** at any time.

6.3 The above notwithstanding, employees may raise concerns on safety matters with the **Group Health and Safety Manager** or to their local supervisor who must relay concerns.



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6.4 **Safety Representatives** for **The Underwater Centre** will be designated and act as representatives of the workforce on safety matters. A charter of functions and duties will be made available.

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7 Accidents

7.1 First Aid boxes are located at strategic locations throughout the site, on each of the barges and in Company vehicles. The First Aid boxes will be regularly checked and replenished by designated individuals. Each person who uses any item from the first aid box should inform one of the designated individuals as soon as possible.

7.2 The accident books for **The Underwater Centre** are kept at **First Aid Boxes**.

7.3 All **Diving Instructors** have been trained in emergency first aid.

7.4 The **Diving Instructors** will be responsible for ensuring that any employee/student who has an accident while at work, the details of that accident are entered in the accident book.

7.5 In the event of any notifiable accident or dangerous occurrence the **Group Health and Safety Manager** will be responsible for contacting the relevant enforcing authority. To enable this to be done, the responsible person in any area where an accident or dangerous occurrence happens will contact the **Operations Manager**, who will then contact the **Group Health and Safety Manager** immediately by telephone.

7.6 The **Health & Safety Committee** and the **Group Health and Safety Manager** will assist the management of **The Underwater Centre** to investigate any accidents or abnormal occurrences.

7.7 All accidents must be recorded in the accident book and reported to the **General Manager** and the **Group Health and Safety Manager**, including minor incidents.

8 Health & Safety Risks in the Workplace

8.1 The Management of Health and Safety at Work Regulations requires risk assessments identifying the hazards present, whether arising from work activities or from other factors.

8.1.1 A **hazard** is something with the potential to cause harm e.g. machines, substances, fumes, plant and equipment or methods of work etc.

8.1.2 A **risk** is expressed as the likelihood that harm from a particular hazard is realised.

8.1.3 The **extent of the risk** covers the population which might be affected i.e. the number of people who might be exposed.

8.1.4 **Risk**, therefore, reflects both the likelihood that harm will occur and its severity. The risk assessments help to identify hazards so the company can determine what measures we need to take for your health and safety and that of others who may be affected.

8.2 Work activities will be broken down into manageable sections and an appropriate amount of time allocated. The process is one of individual preference, although consideration should be given to the following:

8.2.1 Non-routine work such as cleaning and maintenance should be considered;

8.2.2 Hazards to non-employees should be examined;

8.2.3 Employees should be consulted as to their actual work activities;

8.2.4 Accident and ill-health records should be examined to help highlight potential problems;

8.2.5 Long-term hazards and those relating to ill-health should be considered as well as those likely to cause physical injury;

8.2.6 Once the inventory of hazards has been completed it should be reviewed to determine what action is to be taken.

8.2.7 Hazards have been identified and to arrange them in priority of assessment.

8.2.8 Where non-normal risks are evident, or advice from external sources of information applies, risk assessments may have to be carried out against the existing services, or normal risks such as bomb alerts etc.

9 Work related activities

9.1 **Risk Assessments** for work related activities will be carried out, as required, in cooperation with the **Operations Manager** and/or the **Group Health and Safety Manager** and the results of these assessments will be kept readily available in the **Risk Assessment Register** in the **Changing Room (Pier)** for reference and inspection. Risk Assessments will be reviewed after any relevant changes in legislation, after any relevant accident/incident or dangerous occurrence, after the introduction of any new plant/equipment/procedures, or annually.



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9.2 The **Diver Training Manager** and **Diving Support Manager** will ensure that all work related activities are assessed.

9.3 Method Statements, where required, will be prepared in co-operation with the **Operations Manager** and/or the **Group Health and Safety Manager**.

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10 Chemicals

10.1 A register of substances hazardous to health will be compiled and kept in the **COSHH Register** as they are completed and kept for reference and inspection. All substances on this list will be used only in accordance with the manufacturers' instructions and any personal protective equipment deemed necessary will be provided and must be used correctly.

10.2 The **Diving Manager, Assistant Diving Manager** and **Dive Support Manager** will be responsible for ensuring that all hazardous substances are assessed, read and understood by all employees as part of every method statement brief that the employees receive.

10.3 All employees will read COSHH Risk Assessments before they carry out any work using hazardous substances.

11 Equipment

11.1 The **Diving Support Manager** will ensure that all equipment requiring maintenance is identified.

11.2 The **Diving Support Manager** will ensure maintenance procedures are drawn up and implemented.

11.3 The **Operations Manager** will ensure that, before any new equipment is purchased, a check is made to ensure that it meets the current Health & Safety standards.

11.4 Any new work equipment requiring employees to be specially trained before using this equipment will be identified and training implemented and recorded.

11.5 The **Diving Support Manager** will ensure that any equipment hired by **The Underwater Centre** will have the required maintenance records and that any operators have been trained and hold the applicable certificates.

12 Electricity

12.1 Only appropriately qualified electricians will carry out significant repairs to electrical equipment. A person deemed to be competent by the management may carry out minor repairs such as mending a plug or replacing an accessible light bulb.

12.2 Before any piece of electrical equipment is plugged in and switched on, the cable and plug must (will) be visually examined to ensure that the outer insulation is intact and the connections are sound.

12.3 An appropriately qualified **Electrician** and the **Operations Manager** will carry out regular inspections of all portable electrical appliances. In any case, all electrical appliances will be inspected at least annually. Written records of these inspections and testing will be kept and reviewed by management.

12.4 The **Operations Manager** will ensure that all electrical appliances requiring maintenance are identified and all records of such inspections are kept.

13 Noise at Work

13.1 Noise cannot be completely eliminated in some work tasks, however **The Underwater Centre** will do all that is reasonably practicable to reduce noise to the lowest level possible, to ensure that suitable hearing protection is provided to employees working in or around areas where noise levels are deemed, by the regulations, to put employees hearing at risk. If required, a noise survey will be carried out to determine the noise level and the type of protection appropriate to prevent hearing damage.

Within these areas the wearing of hearing protection is mandatory at all times while the equipment is being used. Employees must comply with this procedure, any employee deviating from this safe system of work will be disciplined.

Employees have the responsibility for reporting / exchanging faulty or damaged equipment and this should be carried out as soon as possible after determining that it is unsuitable for use.

14 Manual Handling of Loads

14.1 The Manual Handling Regulations introduced assessments with the intention of reducing the incidence of back injuries at work. They require us to assess all forms of lifting operations in the workplace where you are at risk from lifting a load, combined with repetitive twisting and turning and consecutive repeat performances including pushing and pulling.

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14.2 If there is doubt as to whether there is a risk associated with a manual handling task, the outlined assessment procedure is used to identify what control measures are required to be introduced. Manual Handling Assessments will be identified and implemented by the **Diving Training Manager** and **Diving Support Manager**, and as necessary the **Group Health and Safety Manager**.

14.3 Our policy is to:

14.3.1 avoid hazardous operations so far as is reasonably practicable.

14.3.2 make suitable and sufficient assessments of any hazardous operation that cannot be avoided.

14.3.3 reduce the risk of injury so far as is reasonably practicably.

The assessments are carried out by the supervisor on anything you may handle, lift, move, push or pull.

14.4 The following four elements are considered during the assessments:

T = Task.

I = Individual

L = Load

E = Environment

14.5 In identification of the above, a subjective judgement is made which indicates that a category of risk i.e. low, medium or high risk, is present and the control or preventative measures that are required.

15 Asbestos

15.1 A register is kept of all known Asbestos Contaminated Materials (ACMs) within the premises of **The Underwater Centre** and all employees and contractors will be briefed of the location of the ACMs as is required under the Control of Asbestos at Work Regulations 2002. Any employee or contractor who suspects that they have come into contact with an ACM will stop work and inform their Line Manager.

15.2 The register will be reviewed and updated regularly.

16 Display Screen Equipment

The **Group Health and Safety Manager** will identify, through routine inspections, employees that will be classified as users of DSE. Those classed as users will be entitled to free eye tests and, where required, prescriptive glasses. It should be noted that tests and prescriptions will be limited to that required to operate display screen equipment only. A DSE assessment must be carried out where required.

17 Visitors and Contractors

17.1 Particular attention must be paid to the safety of customers and members of the public visiting the premises.

Contractors working on the premises of **The Underwater Centre** must conduct their work safely and in accordance with the legal requirements placed upon them as providers of services. Additionally they must comply with any in house rules that are specified by the management of **The Underwater Centre**.

17.2 All sub contractors engaged by **The Underwater Centre** will have to provide the following information:

17.2.1 A copy of their Health and Safety Policy.

17.2.2 Details of three similar contracts, which they have completed successfully in the recent past.

17.2.3 Accident statistics for the past three years.

17.2.4 Details of any prosecutions, Prohibition Notices or Improvement Notices served upon them by The Health and Safety Executive in the past three years.

17.2.5 A copy of the current Certificate of Employer's Liability Insurance.

17.2.6 Details of any other relevant insurance.

17.2.7 Method Statements for those parts of the work for which they will be responsible.

17.2.8 COSHH Assessments for any substances, which they propose to use in the work.

17.2.9 "Permits to work" will be used where applicable i.e. hot work, working on electrical installations and working in confined spaces.

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17.3 The above information will be obtained before any sub-contractor commences work.

18 Fire Policy

18.1 The **Operations Manager, Diver Training Manager and Diving Support Manager** will ensure that all issues relating to fire safety and evacuation procedures are implemented within **The Underwater Centre**.

18.2 The annual maintenance of portable fire fighting equipment for **The Underwater Centre** is contracted to a specialist Fire Agency.

18.3 It is the policy of **The Underwater Centre** to minimise the risk of outbreak of fire and, in the event of a fire, to reduce the risk of injury to persons and to limit the damage to property.

18.4 The principal manner in which this may be affected is by the training of personnel in the sensible precautions to be taken to limit the risk of outbreak of fire and the actions to be taken in the event of an outbreak of fire.

18.5 The **Operations Manager, Diver Training Manager and Diving Support Manager** will make regular checks to ensure that fire extinguishers are in place and that all employees are familiar with the fire regulations that they are working in.

18.6 Nominated employees will receive training on:

Types and uses of fire extinguishers

General fire prevention measures

Actions to be taken in the event of fire

18.7 A fire risk assessment will be carried out annually and kept by the **Operations Manager**. Fire precautions and actions will be drawn to the attention of all employees during their safety induction.

18.8 Smoking is strictly prohibited.

19 Emergency Procedures

19.1 In the event of an outbreak of fire, the person discovering the fire will immediately raise the alarm and contact the emergency services.

19.2 **Only if it is safe to do so** will the fire be tackled with portable fire fighting equipment.

19.3 On hearing the alarm employees will switch off all appliances in use, leave the area and make their way to the nearest "Fire Assembly Point".

The **Fire Assembly Points** at **The Underwater Centre** are:

Lodge - west car park

Ocean Frontier – outside main entrance

Pier – main gate

20 Personal Protective Equipment (PPE)

20.1 **The Underwater Centre** will provide all employees with all the necessary personal protective equipment (PPE) required under the current legislation. No charge will be made to the employees for the provision of such (PPE).

20.2 All PPE provided by **The Underwater Centre** must be looked after by all employees and stored away at the end of each day in the lockable containers provided.

20.3 Please note that any employees found to be misusing PPE will face disciplinary action.

21 Company Alcohol Policy

21.1 The consumption of alcohol is likely to cause a change in behaviour and impair work attendance and performance. A high blood alcohol level while at work will endanger both safety and efficiency and the cause of the increased likelihood of accidents, mistakes, poor decision-making and errors in judgement. Persistent heavy drinking can lead to a wide range of social, psychological and medical problems including dependence.

21.2 This policy applies to all employees of **The Underwater Centre** and should be read together with the policy statement on problem drinking.

21.3 You should ensure that your performance at work is not affected by the consumption of alcohol prior to the start of work whether day or night shift.

21.4 You are not allowed to bring alcoholic drink into work.

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21.5 If you are considered under the influence of drink while at work you will immediately be suspended from work.

21.6 The General Manager and all supervisors have particular responsibilities and it is essential that they are familiar with the procedures contained within the policy.

21.7 Alcohol consumption is strictly prohibited whilst on any property owned or leased by **The Underwater Centre**, in company vehicles, plant, or at any time during working hours.

21.8 Alcohol consumption is strongly discouraged during the working day including rest breaks, on and off-site.

21.9 Information will be made available to employees and line managers on the risks associated with the consumption of alcohol and alcohol misuse and abuse. This information will be raised in a sensitive but active way with the staff. Managers should refer to **The Crannog Concept Limited** Problem Drinking Policy Statement in such cases.

21.10 You will be made aware of the counselling and support available if you have an alcohol-related problem.

21.11 **The Crannog Concept Limited** acknowledges the medical condition of alcohol dependency and if required you should refer to the Problem Drinking Policy Statement for information.

21.12 If your performance or attendance over a period of time has deteriorated and the consumption of alcohol is a contributory factor, the normal procedures for improving performance or attendance will be followed. If the alcohol problem is shown to be a major factor then help will be given as described in the Problem Drinking Policy Statement.

21.13 If your behaviour justifies disciplinary action and consumption of alcohol is a contributory factor, the action will be suspended to allow help to be given as referred to in the Problem Drinking Policy Statement.

21.14 Alcohol dependency will not constitute grounds for dismissal unless your action or performance reaches an unacceptable level.

21.15 The contents of this Policy may be explained to potential recruits during the recruitment and contractors prior to selection. It will also be explained during induction training.

21.16 **The Crannog Concept Limited** has no reason to regard problem drinking as significant among it's' employees, but recognises the value of drawing up a Policy Statement on problem Drinking.

22 Problem Drinking Policy Statement (The Crannog Concept Limited)

22.1 Problem drinking is a condition where a person is dependent either psychologically, physically, or both, on alcohol. This can cause progressive mental and physical ill health if not identified and treated at the early stages.

22.2 **The Crannog Concept Limited** recognises the medical condition of alcohol dependency and the effect that repeated consumption can have upon health and performance. It is an important aim to help any one whose work performance is affected by their inability to control their intake of alcohol and whose behaviour may adversely affect their colleagues at work, including their health and safety.

22.3 If you are identified as having a drink problem, the company will encourage you to follow the treatment prescribed for you. A lot can be done particularly in the early stages and, if you think you may have a drink problem, you are strongly encouraged to discuss this with your **Line Manger**, or **Manager** who will put you in touch with the appropriate sources of assistance. Cases will be dealt with in the strictest of confidence and, if you wish, you can ask for the assistance of a colleague. No personnel record will be made that you have undergone treatment.

22.4 The diagnosis of drink problems as described above is the responsibility of Doctors and not line management. However, Line Managers' responsibilities include both safety of operations under their control and the requirement to identify inadequacies in the performance or conduct of employees, and they should draw attention to them. Where they have concluded that a drink problem exists, affecting your conduct or performance, they should draw your attention to your shortcomings and to sources of help available, and bring continued shortcomings to Personnel.

22.5 If you are identified as having a drink problem and you refuse diagnosis or help, or end prescribed treatment prematurely, these will not in themselves be grounds for disciplinary action. However, disciplinary action will be taken in the event of unacceptable behaviour or standards of work.

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22.6 If you have a drink problem and you undergo treatment that requires absence from work, you may be regarded as absent through sickness and entitled to sick leave in accordance with Company Sick Pay Policy. This will continue to apply so long as you comply with the specialist advice given.

22.7 Where you are able to continue to perform your duties whilst undergoing treatment, adequate paid time off for treatment will be allowed.

22.8 Where possible, **The Crannog Concept Limited** will allow you to continue in your previous job if you have to undergo treatment. Where problems may arise due to the nature of your work, a suitable re-employment opportunity will be sought.

22.9 Your job security will be maintained whilst you participate in treatment/counselling in an attempt to deal with your alcohol dependency. However, in the long term this will depend on your work performance returning to an acceptable level.

22.10 You are also expected at all time to observe the Alcohol Policy.

23 Company Drugs Policy

23.1 Whilst drug misuse is regarded as a significant problem in the United Kingdom, **The Crannog Concept Limited** have no reason to regard drugs misuse as widespread among it's employees. However, the Company does have a duty to maintain a safe and healthy working environment for it's employees.

23.2 For the purpose of this statement drugs misuse includes:

23.2.1 The non-therapeutic (i.e. non curative) use of drugs (for example the misuse of opiates, stimulants, sedatives);

or

23.2.2 The illicit use of drugs, which have no generally accepted medical purpose (e.g. the misuse of cannabis, LSD);

or

23.2.3 The misuse of other substances by assimilation into the person i.e. the inhalation of solvents and or other volatile substances (often referred to as glue sniffing).

23.3 **The Crannog Concept Limited** will ensure that any employees with drug related problems, which affect their work, receive advice, information and, if necessary, help with getting treatment. If you have, or suspect that you have a drug problem, you should seek help voluntarily at the earliest possible moment, and you are strongly encouraged to discuss the situation with the **Manager**, or if you prefer your **Line Manager**; who will direct you to the appropriate sources of help. Cases will be dealt within the strictest of confidence subject to the provisions of the law and the need to maintain the safety of **The Crannog Concept Limited** operations. In these discussions you can ask for the assistance of an employee representative or colleague.

23.4 **The Crannog Concept Limited** may provide information for employees about the dangers of drug taking and where appropriate make provisions for training those involved in implementing this policy, and for establishing links with suitable sources of professional advice and treatment.

23.5 **The Crannog Concept Limited** recognises that employees with a drug problem have a serious illness because the behaviour could adversely affect their colleagues at work, either by putting their health and safety at risk, or in other ways. **The Crannog Concept Limited** is concerned that it should take appropriate action.

23.6 If you have a drug problem, **The Crannog Concept Limited** will therefore encourage you to co-operate in the treatment prescribed. Where this treatment involves absences from work, you will be regarded absent because of illness and entitled to sick leave in accordance with **The Crannog Concept Limited** Sick Pay Policy.

23.7 If you have a drugs problem and you refuse help, or you discontinue the treatment prescribed, this will not in itself be grounds for disciplinary action. However, disciplinary or other appropriate action will be taken in the event of unacceptable behaviour or standards of work and disciplinary action may be taken for any breach of the rules referred to below.

23.8 The diagnosis and treatment of the condition is the responsibility of Doctors and other professionals, not **Line Managers**. However, **Line Managers** are responsible for both the safety of operations under their control and identifying any inadequacies in the conduct or the performance of employees and draw these to their attention. Therefore, where they have grounds for concluding that

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a drugs problem affecting conduct or performance may exist, they must draw your attention to your shortcomings and to the source of help available. They should bring continued shortcomings to the attention of HR.

23.9 Managers and others will maintain confidentiality about employees' individual problems, subject to provisions of the law. However, if employees are to be properly helped, it should be recognised that some of the facts may have to be disclosed to others, although you would normally be asked to give specific consent before information is passed on.

23.10 It is generally illegal for anyone to produce, possess, supply or offer to supply any controlled drug. Unlawful supply includes giving away or selling. However, it is quite legal for people to possess a therapeutic drug, which has been prescribed for them by a Doctor.

23.11 The improper use or possession of drugs renders you liable to disciplinary action, and to dismissal for the supply or selling of drugs, or the illegal possession or misuse of them at work. These are regarded as particularly serious disciplinary offences.

24 Work Related Stress

24.1 **The Underwater Centre** has a duty to ensure that employees are not made ill by their work i.e. Stress.

24.2 Risk assessments will be carried out to identify areas of the work that give rise to high and long-lasting effects of stress, identify those who may be harmed and what action should be taken to reduce the stress levels.

24.3 To help reduce the effects of stress, **The Underwater Centre** will provide relevant training, give staff as much information as possible relating to their work and ensure good lines of communication between staff and management are readily available.

25 Review

This safety policy will be reviewed at the end of September 2012 or earlier if the management of **The Crannog Concept Limited** and **The Underwater Centre**, after discussion with the **Group Health and Safety Manager**, feel that working practices or the working environment has significantly changed.

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Appendix 4 – Other conditions of contract

The contract constituted by the Proposal and the Client's acceptance of it shall be governed by the following conditions:-

1. Definitions and interpretation

In this Contract the following words and phrases shall have the meaning ascribed thereto;

- 1.1 **"Affiliates"** means, in respect of any company or corporation, any holding or subsidiary company thereof and any subsidiary of such holding company, the terms holding and subsidiary company having the meaning as set out in Sections 736 and 736A of the Companies Act 1985.
- 1.2 **"the Client"** includes, in addition to the party with whom the Company has contracted hereunder, any party for whose ultimate benefit the Services hereunder are provided.
- 1.3 **"Group"** means any Party and its and their Affiliates from time to time and, in respect of all the foregoing, their respective officers, directors, employees and agents.
- 1.4 **"Contract"** means this agreement together with Appendices 1 to 8 attached hereto and comprising a part hereof.
- 1.5 **"Contract Date"** means the date on which this agreement becomes enforceable between the Parties, being the date of last execution of this agreement, or such other date as the Parties agree in writing.
- 1.6 **"Duration"** means the period between the Contract Date and the date of termination of the Contract as provided for in Clause 3 of this Appendix.
- 1.7 **"Equipment"** means the equipment specified in Appendix 3 hereof, or in substitution therefor, such other equipment as the Company determines suitable and which is capable of providing the same performance of the Services.
- 1.8 **"the Facilities"** means the Company's facilities and related facility services set out in Appendix 4 hereof.
- 1.9 **"Party"** means either of the Company and the Client, as the context so requires, and **"Parties"** means both of them.
- 1.10 **"Personnel"** means suitable qualified personnel of the nature set out in Appendix 3 or in substitution therefor, such other personnel as the Company determines suitable and which is capable of providing the same performance of the Services.
- 1.11 **"Project"** means the Client's project described in Appendix 1 hereof, facilitated in whole or in part by the performance of the Services and the provision of the Facilities by the Company.
- 1.12 **"Proposal"** means the offer to perform the Services and provide the Facilities comprised within this Agreement.
- 1.13 **"Services"** means the provision of personnel and equipment as listed in Appendix 1 and the operation of the equipment to provide support to the Company's operations within the defined capabilities of the said personnel and equipment.

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- 1.14 “**Start Date**” means the date on which the Services or Facilities are first provided to the Client by the Company, being the date provided for in Appendix 1 or such other date as the Parties subsequently agree in writing.
- 1.15 “**Sub-contractor**” means any party with whom the Company contracts for the supply of products or services in support of the Company’s performance of the Services or the provision of the Facilities.
- 1.16 Reference to statutory provisions shall be construed as references to those provisions as respectively amended or re-enacted or as their application is modified by other provisions (whether before or after the date of the Contract) from time to time and shall include references to any provisions of which they are re-enactments (whether with or without modifications). The statutory provisions applying to the Contract as amended, re-enacted or repealed shall not be construed as imposing any additional liability on the parties to this Contract.

2. **Entire Agreement**

- 2.1 This Contract constitutes the entire agreement between the Parties and supersedes all prior communications between the Parties in connection with the subject matter of the Contract.
- 2.2 No amendment to or waiver of any of the terms and conditions of this Contract shall be binding upon either Party unless it is reduced to writing and signed by an authorised representative of that Party.

3. **Contract Duration**

This Contract shall commence on the date hereof and continue for a period of three years. This Contract shall, subject to Article 11 hereof, automatically terminate on expiry of the said period or the completion of the performance of the Services or provision of the Facilities then envisaged under this Contract whichever is later. Termination of this Contract shall be without prejudice to either Party’s continuing right to pursue any antecedent claim against the other for breach of this Contract.

4. **Scope of Services**

The Company shall perform the Services and provide the Facilities in consideration for which the Client shall pay the sums calculated pursuant to Appendix 5 and in accordance with Clause 6 below.

5. **Title to the Services**

Title to the Services where relevant, including drawings and specifications, shall remain vest in the Company at all times. All patents, copyrights, trademarks, and other proprietary information developed solely from, or directly for the purposes of, the Services and based upon proprietary information provided by the Company shall remain the sole property of the Company and the Client shall carry out all such reasonable acts and create such documentation as the Company may reasonably require for the purposes of confirming title thereto in the Company.

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6. Payment

In exchange for satisfactory performance of the Services and the provision of the Facilities, the Company shall be paid the applicable rates specified in Appendix 5. The Company shall submit its invoice(s) (together with any forms, invoices, documents or other information, which the Client may reasonably require) in accordance with the invoicing schedule specified in Appendix 5. Undisputed invoices shall be paid by the Client within 14 days of receipt. If any portion of an invoice is disputed, the Client shall immediately notify the Company of the substance of any such dispute and pay only the undisputed value thereof within the time specified. Thereafter the Parties shall, in good faith, negotiate and resolve the disputed portion without undue delay and thereafter the Company shall remit any balance found owing to the Company within 14 days of the resolution date. In the event that no resolution has been achieved within 14 days of the date of notification of the dispute, the Parties shall be entitled to their whole rights in law.

In the event that valid invoices are not paid within 14 days of the period prescribed, the Company shall have the right to apply interest at the rate of 8% above the Bank of Scotland Base Rate.

7. Variations

7.1 Prior to the commencement of work, the Client may by written notice to the Company propose to vary the Services or the Facilities in any respect. Within 5 days of the receipt of any such notice or such longer period as the Parties may agree, the Company shall advise the Client in writing of its willingness or otherwise to accept the proposed variation and will specify any alteration to the contract price or other of the Company's obligations which would result from the proposed variation. The Client shall then either:

- i) confirm a variation in writing with such amendment to the contract price and the Company's obligations as the parties have agreed, or
- ii) withdraw the request for the variation.

7.2 Subject to 7.4 below, the Company shall not proceed with any variation until it has received written confirmation from the Client.

7.3 If the Company considers that an occurrence has taken place for which it is entitled to receive a variation, the Company shall without delay request, in writing, that the Client issue a variation. Any request shall include all relevant information for which the Company considers itself to be entitled to a variation. The Client shall respond in accordance with the provisions of this Clause 7.

7.4 If exceptionally the Client decides that for reasons of urgency a variation must be carried out immediately, then the Client may instruct the Company accordingly and the Company shall forthwith carry out such instruction in accordance with the provisions of Clause 19. The Company shall prepare a manifest of additional works, consumables and equipment utilised in the delivery of the contract that are chargeable and outwith those specified within the Contract as they arise. The Client shall authorise these as legitimate and chargeable variations upon signature of the Variations to Contract Manifest, Appendix 8.

8. Inspection

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The Client shall have the right to monitor or inspect any portion of the Services at any reasonable time. Any such inspection undertaken by the Client shall not relieve the Company of any of its obligations under this Contract.

9. Warranty

- 9.1 The Company warrants that it has the ability, qualifications, resources, equipment and personnel to perform the Services and provide the Facilities and shall, at all times, perform and provide the same in accordance with good and prudent practice and in accordance with applicable law and government regulations and good industry practice.
- 9.2 The Company's liability for defective work and/or breach of warranty and/or breach of Contract shall be limited to 90% of the Contract Value irrespective of the cause or nature of the breach.
- 9.3 The aforesaid warranty shall be the only warranty for the performance of the Services and the provision of the Facilities, all other warranties express or implied by law and/or contract are hereby excluded.

10. Indemnity

- 10.1 The Client shall indemnify the Company from and against any and all claims, demands, proceedings, loss actions, liabilities, judicial awards and costs, including reasonable legal costs, or/and expenses howsoever arising by reason of injury to, illness or death of any Client personnel and/or loss of or damage to Client property arising out of or in consequence of the performance of this Contract or in delict other than arising directly as a result of the negligence or wilful misconduct or breach of duty, whether statutory or otherwise, on the part of the Company.
- 10.2 The Client shall indemnify the Company from and against any and all claims, demands, proceedings, loss actions, liabilities, judicial awards and costs, including reasonable legal costs, or/and expenses howsoever arising by reason of injury to, illness or death of any third party personnel and/or loss of or damage to third party property arising out of or in consequence of the performance of this Contract or in delict other than arising directly as a result of the negligence or wilful misconduct or breach of duty, whether statutory or otherwise, on the part of the Company.
- 10.3 The Parties shall maintain adequate insurance cover, or procure that such cover is obtained, against such liabilities as are referred to herein including but not limited to those policies specified in Clause 15 below. The existence or otherwise of such insurance and any respective indemnities provided thereby shall in no way limit, or be deemed to limit, the liabilities assumed by the Parties herein.

11. Force Majeure

Except for the timely payment of monies properly payable hereunder, neither Party shall be liable to the other for any breach of this Contract to the extent that such breach may result from circumstances outwith the control of the affected Party which circumstances could not have been reasonably foreseen at the Contract Date and the effects thereof cannot be overcome by the application of due diligence by the affected Party. In such circumstances the

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Parties shall communicate at regular intervals not exceeding five days with a review to mitigating the effects of the applicable breach, until the circumstances causing the breach cease to exist and/or the Parties can otherwise mutually agree an alternative means of bypassing the effects of the circumstances.

12. Termination of Contract

- 12.1 The Client may by notice in writing to the Company terminate the Contract as follows:
- a) forthwith if the Company shall be in material breach of any of the terms of the Contract and shall have failed to remedy, or to have commenced to remedy, such breach within seven days of receipt of written notice from the Client so to do, or
 - b) forthwith if the Company becomes insolvent or bankrupt or is unable to pay its debts as they fall due or is the subject of a winding up petition or has a receiver appointed over all or any of its assets or enter into liquidation including a provisional liquidator or a trustee manager, factor or administrator of its affairs being appointed.
- 12.2 In the event of termination arising from the causes specified under sub-clauses (a) or (b) above, the Client shall only be liable to the Company in respect of the Services performed or the Facilities provided up to the effective date of termination.

13. Assignment

Neither Party shall be entitled to assign the Contract or any benefit under the Contract or sub-submit the performance of its obligations under the Contract without the prior written consent of the other, which consent shall not be unreasonably withheld or delayed.

14. Applicable Law

This Contract shall be governed by and construed in accordance with the Law of Scotland and the Parties hereto prorogate the exclusive jurisdiction of the Court of Session and/or the Sheriff Court of Grampian, Highlands & Islands at Fort William.

15. Insurance

- 15.1 Each Party undertakes to maintain or procure the provision of (at the responsible Party's expense) the following insurance cover in respect of its obligations hereunder:
- a) Employer's Liability insurance to comply with the relevant Party's legal liability.
 - b) General Public Liability insurance in respect of the persons and property of third parties with cover adequate to cover the liabilities assumed under this Contract.
 - c) All Risks Physical Damage insurance in respect of the responsible Party's property and the property of its Group
- 15.2 Each Party shall furnish the other with Certificates of Insurance evidencing cover. All such policies maintained or procured shall contain a waiver of subrogation against the



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non-insuring Party's respective group and shall be limited to the extent of the liabilities and indemnities assumed under this Contract.

16. Consequential Damages

In no event shall either Party hereto be liable to the other for any consequential loss or damage, which for the purposes of this Clause 16, shall mean business interruptions, loss of revenues or profit (including anticipated profit), use of capital, production and/or project delays, loss of products, or losses resulting from failure to meet contractual commitments.

17. Confidentiality

Neither Party shall disclose to any party without the other Party's prior written consent, any information pertaining to the performance of the Services or the provision of the Facilities or any proprietary information disclosed by one Party to the other.

18. Notices

Notices under the Contract shall be deemed validly served:

- a) 24 hours after posting by Recorded Delivery to the last known address of the addressee; or
- b) immediately on faxing same to the addressee provided that the sender is in receipt of the answer-back slip and confirmation of same is sent to the addressee as set out in sub-clause 18(a) hereof.

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19. Health, Safety & Environment

19.1 The Services will be undertaken and the Facilities provided in accordance with the latest version of the Company's standard Health, Safety and Environmental policies and procedures in so far as superseding the provisions of Appendix 6 hereof.

19.2 All risks associated with the Services or the Facilities shall be assessed in accordance with Company's standard risk assessment methodology prior to service execution. The Client shall be responsible for informing the Company of any exceptional risks of which the Client is or should be aware to which Company may be exposed in the course of the performance of the Services or the provision of the Facilities.

20. Use of Sub-contractors

Where a sub-contractor is appointed to deliver any portion of the Contract, The Company will invoice the Client at the rate of the Sub-contractors invoiced amount plus 15%. The payment of all sums pertaining to Sub-contractor costs are payable prior to the Contract Date of the Contract. This requirement can be waived at the Company's discretion.

21. Limitation of Liability

Subject to the provisions of Clauses 10, 15 and 16 but notwithstanding any other provision of the Contract, the Company's total cumulative liability irrespective of cause, including the negligence, breach of Contract or duty, act or omission of the Company to the Client for delay, defective performance, breach of warranty, suspension and/or termination shall be limited to £1,000,000 in aggregate.