

Rental Equipment Addendum

Scope of Work

1.0 DELIVERY AND CONTROL OF RENTAL EQUIPMENT

1.1 Containerising of Rental Equipment

In the event that the amount of rental equipment to be shipped offshore by Contractor necessitates the use of a dedicated cargo-carrying unit ("CCU"), Contractor shall be responsible for the provision and safe packing of such CCU in accordance with Oil & Gas UK Best Practice for the Safe Packing & Handling of cargo to and from offshore locations, including pre-slinging of equipment as required.

Where a dedicated CCU is not required, Contractor shall ship the rental equipment (in accordance with the requirements of Article 1.2 (ii) herein) to Company's nominated receipt and dispatch facility to be containerised by Company.

1.2 Delivery of Rental Equipment to Company

Contractor shall adhere to the following requirements for rental equipment being shipped offshore:

- (i) equipment being shipped within Contractor's cargo carrying units ("CCU's") shall be delivered to Company's nominated quayside facility no later than twenty-four (24) hours prior to commencement of vessel load-out (unless a later delivery is approved/ requested by Company);
- (ii) equipment being shipped to Company for consolidated containerisation in Company supplied CCU's shall be delivered to Company's nominated receipt and dispatch facility no later than twenty-four (24) hours prior to commencement of vessel load-out (unless a later delivery is approved/ requested by Company);

All equipment and CCU's delivered to Company shall be delivered complete with all applicable certification.

Notwithstanding (i) and (ii) above, if requested by Contractor, Company will endeavour to accept early delivery of Contractor's equipment at Company's quayside/ receipt and dispatch facility (as applicable) provided that equipment shall remain off-hire until the equipment on-hire criteria as outlined in Exhibit C applies.

Contractor shall ensure that the delivery note accompanying Contractor's rental equipment, including any CCU's, shall include all of the following information pertaining to the rental equipment being supplied:

- Purchase Order number; and
- itemised listing of rental equipment, showing the Purchase Order line item number and corresponding External Service Number (ESN) of all rental equipment being supplied;

Contractor shall also send an e-mail copy of the delivery note to Company at the following e-mail address: UKRentals@COP.com

1.3 **Rental Equipment Status Reporting**

On the first working day of the month, Contractor shall provide Company's Materials Control Representative (e-mail: UKRentals@COP.com) with a status report of Contractor's rental equipment (including CCU's), which shall provide an overview of all rental equipment and CCU's on-hire or off-hired during the month; the format of the status report shall be as outlined in Attachment 1 hereto.

2.0 **TRANSPORTATION OF RENTAL EQUIPMENT**

Contractor shall be responsible for the provision of all transportation of CCU's or loose equipment to Company's quayside and/ or receipt and dispatch facility (as applicable).

Upon return of rental equipment and any associated CCU's from offshore, Company's quayside operations contractor shall be responsible for returning off-hired rental equipment and CCU's to Contractor's premises. Company shall endeavour to ensure that off-hired rental equipment and CCU's are returned to Contractor's premises within twenty-four (24) hours of offload from supply vessel. It should be noted that all equipment rented from Contractor will be returned to Contractor, regardless of the point of origin of the equipment. Contractor is solely responsible, at its own cost, for the subsequent transportation and return of any rental equipment to its sub-contractors.

3.0 **CONTRACTOR'S OFFSHORE SERVICE PERSONNEL**

In the event that Contractor has service Personnel offshore whilst rental equipment is offshore, Contractor's service Personnel shall be responsible for stock-checking and verifying location of all Contractor's rental equipment (and any associated CCU's) and any applicable certification requirements on Company's offshore asset (as per the monthly status report). Thereafter, Contractor's service Personnel shall obtain written confirmation from Company's nominated offshore focal point that all rental equipment has been located and verified to be within certification and fit for its intended purpose.

Contractor's service Personnel shall also be responsible for expediting the return onshore of any rental equipment (including CCU's) no longer required offshore. Such equipment shall be prepared for backload in accordance with the Oil & Gas UK Best Practice for the Safe Packing & Handling of cargo to and from offshore locations, with Dangerous Goods documentation also being prepared as required. Furthermore, Contractor's service Personnel shall be responsible for

the preparation and/ or provision of packing lists and notification of backload requirements to Company's offshore Materials representative. Upon return to Company's quayside/ receipt and dispatch facilities, Contractor shall follow-up to ensure that rental equipment is subsequently returned to Contractor's premises.

4.0 RENTAL EQUIPMENT ON AND OFF HIRE CONFIRMATION

4.1 Upon Company validation of rental equipment being On-Hire and associated itemised rental hire costs, Company's Materials Controller will provide an On-Hire Notification confirmation e-mail to Contractor's nominated e-mail address. Company will endeavour to complete On-Hire notification within two (2) working days from the effective On-Hire date.

4.2 Upon Company validation of rental equipment being Off-Hire and associated rental costs, Company's Materials Controller will provide an Off-Hire Notification e-mail to Contractor's nominated e-mail address. Company will endeavour to complete Off-Hire notification within two (2) working days from the effective Off-Hire date.

In the event that Contractor disagrees with an element of a rental Purchase Order (e.g. On/ Off-Hire dates), Contractor shall notify Company's Materials Controller of the nature of such disagreement within five (5) working days of the Company advised On/ Off-Hire date (as applicable), otherwise Contractor will have been deemed to have agreed with the terms of the Purchase Order.

5.0 RE-CERTIFICATION OF CONTRACTOR'S LIFTING EQUIPMENT

Contractor shall be responsible for ensuring that lifting equipment (e.g. lift lugs, slings, shackles, etc.) associated with rental equipment shall be certified at all times throughout the period that equipment is anticipated to be on-hire to Company. Where equipment rental period extends beyond the original expected duration such that lifting equipment may be out of certification whilst the rental equipment is offshore, Contractor shall promptly notify Company of this possibility and the Parties shall agree a course of action to rectify this.

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Compensation

1.0 EQUIPMENT ON/ OFF-HIRE

1.1 On-Hire

Rental equipment, including any rented CCU's provided by Contractor, shall be deemed to be On-Hire from the date of arrival of Contractor's rental equipment at Company's nominated quayside/ receipt & dispatch facility. Notwithstanding the foregoing, the rental period shall only commence up to a maximum of twenty-four (24) hours prior to the scheduled commencement of vessel load-out. In the event that Contractor's rental equipment is delivered to Company's nominated quayside/ receipt & dispatch facility within the specified time-frame, and the vessel load-out is subsequently delayed, then the equipment shall remain On-Hire during the period of delay to vessel load-out.

1.2 Off-Hire

Rental equipment, including any rented CCU's shall be deemed to be Off-Hire at the point that equipment is returned from offshore and offloaded from Company's supply vessel at the quayside.

- 1.3 In the event that Contractor's offshore service Personnel and/ or Company Personnel are unable to locate rental equipment or if any equipment is found to be out of certification or unfit for its intended purpose, all rental charges for such equipment shall immediately discontinue from the last date that equipment was acknowledged by Company to be in Company's possession, within certification and fit for its intended purpose. Furthermore, Contractor shall credit Company all rental charges paid by Company subsequent to the aforementioned date. Liabilities for lost rental equipment will be apportioned in accordance with the Contract Risk Structure.

2.0 TRANSPORTATION OF RENTAL EQUIPMENT

Transportation costs associated with Contractor's delivery of CCU's or loose equipment to Company's designated quayside and/ or receipt and despatch facilities (as applicable), shall be deemed to be included within Contractor's rental rate for the equipment.

3.0 LONG-TERM EQUIPMENT RENTAL

Where the revenue received by Contractor for an individual item of rental equipment reaches a level equivalent to sixty percent (60%) of the Item Value (as outlined in the Rental Equipment Status Report), Contractor shall notify Company, in accordance with the Notices provisions of the

Contract), in order that the Parties can discuss and agree an equitable path forward in-line with the following principles:

- (i) upon the above sixty percent (60%) threshold being reached, the unit rate for the item(s) will be reduced to seventy-five percent (75%) of the prevailing unit rate for the items in the Contract;
- (ii) further to the above, in the event that the revenue received by Contractor for an individual item of rental equipment reaches a level equivalent to one hundred percent (100%) of the Item Value (as outlined in the Rental Equipment Status Report), Contractor shall notify Company and the unit rate for the item(s) will be reduced to fifty percent (50%) of the prevailing unit rate for the items in the Contract;