

# Dive Works Special Terms and Conditions

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The following are Dive Works' special terms and conditions (**Special Terms and Conditions**) applying to the provision of offshore ROV Services by Dive Works and shall be deemed to be incorporated into any contract or agreement for Work by Dive Works which includes provision of offshore ROV Services. These Special Terms and Conditions shall be binding on Dive Works and the Client except where the parties specifically agree to exclude them in any written contract or agreement entered into between Dive Works and a Client for the provision of Work.

## S1 DEFINITIONS:

- The definitions from the Dive Works General Terms and Conditions available at: <http://diveworks.com.au/terms> shall be incorporated into these Special Terms and Conditions so that capitalised terms used in these Special Terms and Conditions and not specifically defined in these Terms and Conditions shall be as defined in the Dive Works General Terms and Conditions.
- **Offshore** means Work that is carried out away from the shore.
- **ROV Personnel** means Dive Works personnel engaged in performance of the ROV Services.
- **ROV Services** means services involving the use of a remote operated vehicle.

## S2 ROV PERSONNEL

- a. Personnel day rates commence upon date of departure from point of origin and shall continue until date of return thereto for either crew change or mobilisation/demobilisation activities and shall not be subject to pro-rata payment on those dates.
- b. Personnel offshore rates are based on a standard 12 hour day.
- c. Should Client instruct personnel to be mobilised to the designated mobilisation point and these personnel are subsequently detained or delayed at or during mobilization through no fault of Dive Works, then Client shall pay the day rates for personnel shall apply during the period(s) of such detainment / delay as per the Rates and Prices and reimburse Dive Works for any accommodation, meals, local travel, business communications and other out-of-pocket expenses costs incurred in relation to such detainment/delay at Documented Cost plus Agreed Margin.
- d. Personnel day rates apply for all inductions and training as required by Client and Client will reimburse any costs incurred such as airfares, accommodation and meals for the purpose of such inductions and training at Documented Cost + Agreed Margin.
- e. Personnel rates are payable under all conditions, including periods of equipment downtime.
- f. Crew changes will be carried out approximately every 28 days. Every effort will be made to schedule crew changes to best fit Client's operational requirements. Quoted mobilisation and demobilisation rates for personnel shall apply for crew changes.
- g. Where Client requires overcycle work (i.e. work in excess of 28 days) to be performed then overcycle payments may be applicable and shall be reimbursed by Client.
- h. Where an employee voluntarily works overcycle, then normal day rates apply.

## S3 ROV EQUIPMENT

- a. Equipment mobilisation and demobilisation costs are inclusive of equipment preparation, insurance and freight to and from the onshore mobilisation and demobilisation points.
- b. Equipment rates are payable in respect of each 24 hour period as follows:
  - i. **Transit Rates** shall apply from the time of departure from the point of origin until the successful completion of function testing during vessel mobilisation in port, and from the time of vessel demobilisation in port until its return to the point of origin. Further, transit rates shall also apply for those days when the equipment is neither covered by an Operating or a Standby Rate.
  - ii. **Standby Rates** shall apply from the successful completion of function testing until the arrival of the vessel at the Work Site and from the time of departure of the vessel from the Work Site until the time of its arrival at the port of demobilisation. Standby rates shall also apply under the following circumstances:
    - (a) Equipment and personnel are on weather downtime. Weather downtime includes periods of inactivity due to weather, sea state, tidal currents, seabed conditions and visibility that exceed the safe operating limitations of the equipment.
    - (b) Equipment is being transferred from the installation vessel to an alternate vessel in the field.
    - (c) Limitations on access to the Work Site or interruptions to activity due to the Client's other contractors, other vessels or drilling rigs in the area, naval or fishery activities and environmental or political activists.
    - (d) During safety inductions.

- iii. **Operating Rates** for equipment shall apply for the period between the arrival of the vessel at the Work Site until the time of departure of the vessel from the Work Site, except for periods of weather downtime or mechanical breakdown.
- c. Equipment Day Rates are per day or part thereof.
- d. Should any additional equipment be required, day rates are payable from time of departure from equipment hire location until return to the point of origin and applies for each day or part thereof.
- e. All Work shall only be undertaken within the safe working and design specification limits of the relevant equipment. The final decision for carrying out operations is at the discretion of Dive Works' senior site representative, taking into consideration the prevailing swell, wave harmonic motion, wind speed, wind direction and other conditions at the Work Site at the time of operations.
- f. Dive Works requires a period of two (2) hours for each twenty-four hour period in which the ROV is in the water and normal maintenance cannot be performed. This time will be used to effect repairs and/or maintenance without penalty to Dive Works and day rates will apply. If unused this repair and/or maintenance time will be cumulative to a maximum of twenty-four hours per month.
- g. In addition, Dive Works requires any time that may be necessary to carry-out a re-termination or replacement of the ROV System's main lift umbilical and/or flying tether as and when Dive Works' ROV Supervisor determines that a re-termination or replacement is required for the safe and efficient operation of the ROV system. This time taken to effect umbilical and/or tether re-termination or replacement will be without penalty to Dive Works and day rates for both equipment and personnel will be chargeable to Client by Dive Works during the time taken for the re-termination or replacement.
- h. If the ROV is unable to dive or carry out a reasonable task requested due to any Dive Works' Equipment failure, this will constitute downtime. If a subassembly or component is not functional, but the ROV system is capable of performing the normally required task or operations, then this will not constitute downtime. If downtime exceeds the cumulative 24 hour period described in clause S3(f), the ROV system will go off hire.
- i. If the ROV is on downtime and repairs are carried out to enable operations to commence again, but due to weather the ROV is unable to dive, the ROV Supervisor will notify Client's representative that the ROV is operational. Downtime will cease from this point, subject to a wet test when the weather permits.
- j. Dive Works will not be responsible for the quality of video reporting or intervention capabilities negatively affected by poor visibility, loop currents, or other adverse metocean conditions at the Work Site.
- k. In the event Dive Works' ROV, including its umbilical, cage and ancillary subsea equipment and components, becomes lost, entangled, disconnected or otherwise damaged while in the water at or near the work site, Client shall, as requested by Dive Works, and at Client's expense, provide fishing and recovery means required.
- l. Should the ROV become entangled, damaged, or lost during or in connection with the Work in a manner caused by the act or omission (negligent or otherwise) of Client, Client indemnifies Dive Works in respect of all costs, losses, liabilities and expenses in connection with recovery, repair, and/or replacement of the ROV at Documented Cost + Agreed Margin.

#### **SC4 ROV RELATED REIMBURSABLE ITEMS**

In addition to other reimbursable items specifically referred to in these Special Terms and Conditions or set out in a Purchase Order, and unless otherwise specifically provided for in the Rates and Prices, the following reimbursable items will be charged and payable by Client at Documented Cost + Agreed Margin:

- a. Consumables and Third Party services (including material, equipment and personnel).
- b. All government taxes, foreign taxes, import or customs duties, if applicable.
- c. Personnel airfares, accommodation and meal costs during mobilisation, demobilisation and crew change (Not applicable if Purchase Order for personnel mobilisation/demobilisation is a Lump Sum amount)
- d. All freight, customs clearances, fees, dues or other costs associated for import/export of additional equipment, Work Visas and permits for Dive Works' personnel, if applicable.
- e. Provision of additional insurances requested by the Client or required for equipment in certain international waters classified as war risk trading areas.
- f. Provision of bank guarantees requested by the Client.
- g. In the event of cancellation of the Work after contract award but prior to commencement of mobilisation, Client will reimburse Dive Works for all committed and incurred costs and expenses up to the date of cancellation by Client.

#### **SC5 MOBILISATION & DEMOBILISATION**

- a. Equipment mobilisation/demobilisation costs do not include the costs of Dive Works' personnel to setup the spreads on-board the Client vessel in the port of mobilisation. Personnel are on hire at personnel day rates in accordance with clause SC2(a) during the full mobilisation and demobilisation periods, irrespective of weather delays or any other delay. Personnel are either to be accommodated on-board Client's vessel during mobilisation/demobilisation or alternatively in onshore accommodation, with the costs of transport, accommodation and expenses for personnel during mobilisation/demobilisation to be charged at Documented Cost plus Agreed Margin.
- b. Mobilisation/demobilisation of the ROV equipment includes freight, all preparation and post project maintenance in workshop, including carrying out system function tests, integrity checks, confirm inventory, 3 phase power supply and 150 KVA hire at Documented Cost + Agreed Margin.
- c. Rates for mobilisation exclude craneage, grillage, sea fastening and consumables, onsite personnel, storage, transport, MPI and load testing on the client vessel. This is either Client supply or by Dive Works at Documented Cost + Agreed Margin.
- d. Rates for demobilisation exclude sea fastening removal, craneage, onsite personnel transport and deck reinstatement. This is either Client supply or by Dive Works at Documented Cost + Agreed Margin.
- e. Transit Rates for Dive Works' Equipment apply door to door Carrum Downs, Victoria.
- f. If a tracking system is required, Client will provide a USBL pole to deploy and recover the USBL beacon.
- g. Operating equipment day rates commence the day the equipment is placed on the Client vessel at the Port of mobilisation and ceases when the equipment comes off the vessel at the Port of mobilisation. Operating rates also apply during periods of Client delay between agreed mobilisation date and actual mobilisation commencement.
- h. Personnel day rates apply "door to door" (from departure from origin airport until arrival back at origin airport.)
- i. Airfares for personnel are charged during the full mobilisation and demobilisation period.
- j. Airfares for personnel are charged for crew changes after 28 day cycle (if applicable).

#### **SC6 CLIENT TO PROVIDE**

- a. All permits, work authorities, consents and licenses required for the performance of the Work shall be obtained and maintained by Client at no cost to Dive Works. Such permits, authorities, licenses, etc. shall not include the permits/licenses that are normally required to be maintained by Dive Works with respect to the Dive Works' furnished material, equipment and personnel.
- b. Client shall provide the following services on the vessel free of charge:-
  - i. stable power supply to connect Dive Works' Equipment to that supply;
  - ii. other "rig/vessel services" i.e. air, water and diesel oil as required for Dive Works' Equipment;
  - iii. accommodation and meals for Dive Works' personnel and communications for bona-fide business purposes; and
  - iv. offshore craneage and transportation for Dive Works' personnel and equipment.