

1. **The Contract:** The following documents shall form the "Contract": (a) Company's purchase order ("Order"); (b) these general terms and conditions ("Conditions"); and (c) any other document expressly incorporated either by reference in or as attached to the Order. These documents shall be read as one document, the contents of which, in the event of ambiguity or contradiction, shall be given precedence in the order listed above. The Order sent by "Company" to "Contractor", as such parties are more particularly identified in the Order, shall be an offer by Company for Contractor to carry out the Work. This offer shall not be accepted until Contractor has countersigned and returned the Order to Company provided that the carrying out of any part of the Work by any member of Contractor Group shall constitute unconditional acceptance by Contractor of the Contract. The Contract shall be effective from the date of acceptance as determined in accordance with the foregoing or such other date as agreed by the parties as set out in the Order ("Effective Date") and shall continue in effect for so long as the parties continue to have any rights, liabilities or obligations under the Contract. Except as expressly provided in the Order, these are the only terms and conditions on which Company shall contract with Contractor for the Work to the exclusion of all other terms or conditions.

2. **Definitions:** "Affiliate" means with respect to any person, any other person that, directly or indirectly, controls, is controlled by or is under common control with such specified person. For the purposes of this definition, "control" means the direct or indirect beneficial ownership of more than fifty percent (50%) of the issued share capital, stock or other participating interest or the legal power to direct or cause the direction of the general management, of the company, partnership or other person in question, and "controlled" shall be construed accordingly. "Applicable Corruption Laws" means all applicable laws relating to bribery, corruption, money laundering, fraud or similar activities, including those: (a) of Indonesia Law No. 31/1999; (b) of the United Kingdom including in particular the United Kingdom Bribery Act 2010 and Proceeds of Crime Act 2002; (c) of the country of incorporation of either of the parties; (d) of any country in which the Contract is to be performed; (e) of Spain including in particular the Criminal Code implemented by Organic Act 10/1995 of November 23; and (f) of the United States including in particular the Foreign Corrupt Practices Act 1977. "Bribe" means: (a) to offer, promise, give, authorise, request, accept or agree any payment, gift, benefit or advantage of any kind, whether directly or indirectly (through one or more intermediaries) and whether as an inducement or reward, for any form of improper conduct by any person in connection with their official, public, fiduciary, employment or business role, duties or functions; and/or (b) anything that would amount to an offence of bribery or corruption under Applicable Corruption Laws, and "Bribed" shall be construed accordingly. "Claims" means claims, liens, judgments, fines, penalties, awards, remedies, debts, liabilities, damages, demands, costs, losses, expenses (including legal fees and expenses) or causes of action, of whatever nature, including those made or enjoyed by dependants, heirs, claimants, executors, administrators or survivors. "Company's Estimated Price" means the potential total price of this Contract which is estimated by Company for purposes of bid evaluation and setting the value of Contractor's performance bond in the event that the Total Estimated Contract Price is less than eighty percent of Company's Estimated Price. Company's Estimated Price has the same meaning as "Owner Estimate/Engineer Estimate"; as such term is referenced in the Administrative Guidelines. "Company Group" means Company, its Co-Venturers, its and their Affiliates, Company's other contractors and subcontractors (of any tier) performing work at the Worksite, SKK Migas and the respective agents, directors, officers, employees, consultants and agency personnel of all of the foregoing, but shall not include any member of Contractor Group. "Consequential Loss" means any consequential or indirect loss including loss and/or deferral of production, loss of product, loss of use, loss of revenue, profit or anticipated profit (if any), in each case whether or not foreseeable at the Effective Date but excludes any fines or penalties. "Consortium" means an association of two or more individuals, corporations, organizations or combination of such elements, to conduct joint activities, businesses, or financing in the efforts of achieving specific purposes within a certain period by incorporating resources owned by the parties incorporated, where each of Consortium members remains independent. "Contractor Group" means Contractor and its Consortium members (if any), its Subcontractors, its and their Affiliates of Contractor and its Consortium members (if any) and the respective agents, directors, officers, employees, consultants and agency personnel of all of the foregoing. "Country" means the Republic of Indonesia. "Co-Venturer" means any person with whom Company is or may be from time to time a party to a joint venture agreement (including a consortium agreement or contractual association agreement), joint operating agreement, unit operating agreement or similar agreement relating to the operations for which the Work is being carried out. "Data" means data and information

including text, drawings, diagrams, images and sounds (together with any database made up of or including any of these) which is embodied in any form including electronic, magnetic, optical or tangible media. "Domestic Content" means the domestic component amount in goods/services and combination of goods/services, stated as a percentage. "General Bank" means a bank conducting business activities in a conventional way and/or based on Sharia principle in which its activities carry out services in transactional payment. "Goods" means the goods as detailed in the Order that Contractor is required to supply in accordance with the Contract. "Host Government" means any nation, government or any federal, provincial, state, municipal, county or regional government or governmental authority or its Affiliate granting or having an interest in the Work or the petroleum production operations to which the Worksite or the Work relates. "Import/Export Charges" means properly and lawfully payable customs or import or export duties or taxes, and all other proper and lawful charges related to port or customs clearances or charged on the import or export of goods including pilotage, agent fees, brokerage fees, handling charges and port dues, which are charged in relation to Goods and/or Import/Export Items upon export or import. "Import/Export Items" means property owned, leased or furnished by a person or in which that person has an economic interest (including equipment, vehicles, vessels, materials, tools, supplies and intellectual property) that is imported into the Worksite (whether permanently or temporarily) in order for Contractor to perform the Work, including Contractor Items. "Legislation" means, including Applicable Corruption Laws and Sanctions, Trade Controls Laws and Administrative Guidelines, all applicable laws, directives, statutes, statutory instruments, bye-laws, ordinances, regulations, decrees, approvals, licences, permits, authorisations, guidelines, rules, orders, codes of practice, standards and any other requirement of any international, national, federal, regional, state, provincial, municipal or local governmental authority, agency or regulatory body including any branch, division, ministry, department or agency of the same or of any court, commission, board or similar authority with jurisdiction over Company Group, Contractor Group, the Work, the Worksite or any matter arising under the Contract ("Administrative Guidelines" means administrative guideline No. PTK-007/SKKO0000/2015/S0 on Supply Chain Management of Contractor of Cooperative Contract Guidelines issued by Satuan Kerja Khusus Pelaksana Kegiatan Usaha Hulu Minyak Dan Gas Bumi (SKK Migas), as amended from time to time). "National General Bank" means a General Bank that more than fifty per cent (50%) of its shares are owned or issued by the Government of Indonesia and/or Indonesian legal entity and/or citizen of Indonesia. "National Private Bank" means a General Bank that is not (1) a General Bank which has a status of being a state-owned enterprise (BUMN/BUMD) nor (2) a foreign bank as determined by the central bank (Bank Indonesia). "Services" means the services as detailed in the Order that Contractor is required to perform in accordance with the Contract. "Subcontract" means a contract (of any tier) for the performance, supply or provision of any part of the Work, excluding the Contract. "Subcontractor" means any person (other than Contractor and its Consortium members, if any) that is party to a Subcontract. "SKK Migas" means Satuan Kerja Khusus Pelaksana Kegiatan Usaha Hulu Minyak Dan Gas Bumi, a special task force authorized by the Government of Indonesia cq. the Ministry of Energy and Mineral Resources to implement the management of upstream oil and gas business activities based on Presidential Regulation No. 95 of 2012 in conjunction with Presidential Regulation No. 9 of 2013 in conjunction with Minister of Energy and Mineral Resources Regulation No. 9 of 2013, including its successors or replacements as designated under the prevailing laws and regulations. "Tax" or "Taxes" means all existing or future taxes, including corporate income tax or gross revenue taxes, personal income tax, employment taxes and social charges, national insurance, sales taxes, customs duties, withholdings taxes, stamp duties, and other charges and assessments in the nature of taxes, together with any fines, penalties or interest thereon. "Third Party" means any person that is not a member of Company Group or Contractor Group. "Total Adjusted Contract Price" means the amount estimated by Company as the increased value of this Contract. This estimated amount has relevance for purpose of increasing the amount of the performance bond required from Contractor when the Total Estimated Contract Price is increased as provided in Clause 27. "Total Estimated Contract Price" means the sum stated in Section 4 - Remuneration. This amount is not a compensation or price that Company is obligated to pay Contractor; rather, this amount is an estimate and has relevance for purpose of determining the amount of Contractor's performance bond and for Company's internal administrative matters. If applicable, this sum may also be a "not-to-exceed" amount payable by Company to Contractor. Total Estimated Contract Price has the same meaning as "value of the Agreement Letter/Contract/PO" as such terms are referenced in the Administrative Guidelines. "VAT" means value added tax and any other tax of a similar

nature (including sales tax or a tax instead of or in addition to value added tax), levied on goods and/or services which the supplier thereof is required to account to the relevant Taxation Authority. "Work" means all work that Contractor is required to carry out in accordance with the Contract, including the supply of the Goods and the performance of the Services. "Worksite" means all places where the Work is to be carried out.

3. **Interpretation:** References in the Contract to: (a) day, week, month or year means calendar rather than working day, week, month or year unless otherwise specified and shall be calculated by reference to the Gregorian calendar; (b) the words "including", "include" and "other" shall be construed without limitation; (c) any Legislation includes reference thereto as amended, supplemented or replaced from time to time or, as applicable, as extended or re-enacted; (d) the singular shall include the plural and vice versa unless the context otherwise requires; (e) the Contract shall include the same as amended or varied in accordance with its terms; and (f) any party or other person, which for the purpose of the Contract shall include, as the context requires, any natural person, body corporate, unincorporated association, partnership or other entity, whether or not having a separate legal personality, shall include that party's or person's successors in title and permitted assigns. All instructions, directions, notices, agreements, authorisations, approvals, consents and acknowledgements between the parties relating to the Contract shall be in writing.
4. **Contractor's General Obligations:** Contractor shall provide all management, engineering, design, supervision, personnel, equipment, plant, machinery, tools, apparatus, containers, fastenings, hardware, software, materials, consumables, supplies, packaging, spare parts, facilities, premises and all other things whether of a temporary or permanent nature, so far as the necessity for providing the same is specified in or reasonably to be inferred from the Contract. Contractor represents and warrants that it shall carry out the Work in accordance with internationally recognised good practices and standards applicable to work of the type to be carried out under the Contract, with all due skill, care, diligence, prudence and foresight to be expected of a reputable contractor experienced in work of the type to be carried out under the Contract, to the satisfaction of Company, in compliance with all other provisions of the Contract and Legislation (and shall ensure that all personnel and items to be provided by Contractor are in compliance with Legislation) and that the Work shall be free from defect. Contractor shall be responsible for, indemnify, defend and hold Company Group harmless from and against all Claims arising out of or in connection with the Contract in respect of the employment or worker status of its personnel and all benefits and rights in connection with the same. Except to the extent that it may be legally impossible or create a hazard to safety, Contractor shall comply with Company's instructions and directions on all matters relating to the Work. Company and its authorised representatives shall be entitled at any time to carry out any inspection, testing, witnessing or monitoring necessary and to examine all associated data and documentation in order to confirm compliance by Contractor with its liabilities and obligations under the Contract. Contractor shall co-operate fully with Company and its authorised representatives in relation to the same and shall provide, or shall procure the provision of, all assistance, data, documentation and access to personnel as may be required in connection therewith. Where Company or any of its authorised representatives require the permission of any member of Contractor Group to access any Worksite, including in respect of any inspection, testing, witnessing, monitoring or examination required under the Contract, Contractor shall permit or procure such access and provide or procure all facilities and assistance as may be required in connection therewith. Contractor shall obtain and maintain all licences, permits, temporary permits, authorisations and approvals required in order to carry out the Work. If the Total Estimated Contract Price is higher than US\$2,000,000 or Rp.20.000.000.000, Contractor shall cooperate with local small businesses, including small cooperatives by subcontracting a portion of certain Work. If the Total Estimated Contract Price is higher than US\$5,000,000 or Rp.50.000.000.000, Contractor shall cooperate with local medium businesses and/or local small businesses, including small cooperatives, by subcontracting a portion of certain Work. However, Contractor shall remain fully liable for all performance of the Work by its Subcontractor(s). This provision shall not apply to sophisticated Work in nature in which the small business, including small cooperative will not be able to perform.
5. **Quality of the Goods:** It is a condition of the Contract that the Goods shall be new, or subject to Company's approval, as new, of good quality and sound design, materials and workmanship, be fit for its or their intended purpose where a purpose is defined in the Contract or, where no such purpose is defined, fit for its or their ordinary purpose, be in compliance with the detailed description as set out in or as attached to the Order, be free from all liens, charges, encumbrances and retention of title claims by any third party, to the extent sold by description or sample, conform with such description or sample and be in compliance with all other provisions of the Contract and Legislation. The parties agree that the provisions of the United Nations Convention for the International Sale of Goods are expressly excluded from the Contract.
6. **Marking of the Goods:** Contractor shall ensure that the Goods are clearly and permanently marked with the manufacturer's name, trademark or distinguishing mark which clearly identifies the manufacturer. In addition, where Contractor is not the manufacturer, Contractor shall ensure that the Goods are, without infringing third parties' rights, clearly and permanently marked as having been supplied by Contractor to Company. All Goods delivered to Company shall be suitably marked or clearly identified as the property of Company. Where title to the Goods transfers to Company before delivery, Contractor shall at such time suitably mark or clearly identify the Goods as the property of Company and shall separately store, safeguard and maintain the same in good order and condition. Any Goods so marked or identified shall not be disposed of to any third party without Company's prior consent unless such marking or identification is first erased to the satisfaction of Company.
7. **Packing and Transportation:** The Goods shall be packed by Contractor for transportation and storage in accordance with internationally recognised good practices and standards applicable to goods of the type to be supplied under the Contract and in accordance with any special requirements as set out in the Contract, so as to reach the point of use undamaged and in good condition and, to the extent not immediately used, shall ensure that the Goods are preserved in good condition until the Goods are permanently removed from packaging at the point of use. Unless otherwise stated in the Contract, all costs in connection with packing and transportation, including packaging, protection and the provision of appropriate transportation and/or storage containers and fastenings, shall be included in the rates and prices as set out in the Contract. All handling and storage instructions shall be clearly displayed on the outside of all packaging and containers. Contractor shall send with each consignment of the Goods (and at the same time provide Company Representative with a copy of the same): (a) a packing note (together with a copy of material test certificates where applicable) detailing the number of the Contract, description, code number (if any) and the quantity of Goods consigned; (b) an advice note including the details set out in the foregoing sub-Clause (a); (c) additional documentation as detailed in the Contract or any amendment; (d) Contractor's clear and full instructions with regard to the safe handling and storage of the Goods; (e) all customs documentation required for the Goods; and (f) all documentation necessary to prove the Goods supplied have been inspected and tested and are properly completed and therefore in accordance with the Contract.
8. **Delivery of Goods/Defects Correction:** The Goods shall be delivered at the delivery point on the delivery date in accordance with the delivery term as the same are set out in the Order along with all documentation necessary for the storage, installation, commissioning, operation, use and maintenance of the Goods and all other documentation required to be provided by Contractor in connection with the supply of the Goods, except to the extent the same has already been provided or as otherwise agreed with Company. If and as required by Company, the Goods shall be delivered loaded or unloaded by Contractor at the delivery point. Where the delivery term conflicts with any other provision of the Contract, the latter shall prevail. If Company identifies or is made aware of any defect in the Goods (or any rectified Goods) at any time within twenty-four (24) months from the date of delivery of the same in accordance with the Contract (or, as applicable, within twenty-four (24) months from the date of completion of the rectification of any Goods in accordance with this Clause 8) Company may, without prejudice to any other rights or remedies which Company may have, give notice thereof to Contractor. Following receipt of such notice, or at such other time as required by Company to comply with Company's operational requirements, Contractor shall forthwith carry out all work necessary at its own cost to rectify such defect which shall include the replacement of the Goods, where the same is determined by Company, at its sole discretion, to be the appropriate course of action, at the point of use or at such other location as required by Company. If Contractor fails to comply with its obligations under this Clause 8, Company may, without prejudice to any other rights or remedies which Company may have, either carry out Contractor's obligations under such Clause itself or have such obligations carried out by others and all costs reasonably incurred by Company as a direct result thereof shall be recoverable by Company from Contractor.

9. **Ownership:** Title to the Goods shall transfer to Company upon delivery, whether in whole or in part (provided that part delivery is permitted under the Contract), to Company in accordance with the Contract, provided that the risk and responsibility for such Goods shall at all times remain with Contractor until delivered to Company in accordance with the Contract. All Goods delivered by Contractor to Company under this Contract shall become and be clearly identified as the property of the Country, which shall be under SKK Migas management. Title to any Goods, which have been delivered by Contractor to Company, shall not pass to the Country if they do not comply with the requirements of this Contract and they are rejected by Company. Where any Goods are delivered to Company on a consignment basis, title to such Goods shall transfer to Company upon release of the same from consignment into the care, custody and control of Company; provided that the risk and responsibility for such Goods shall at all times remain with Contractor until such release from consignment. Contractor shall be responsible for, indemnify, defend and hold Company Group harmless from and against all Claims in respect of loss of or damage to any Goods at any time when the risk and responsibility for the same is with Contractor or as a result of the negligence or breach of duty (statutory or otherwise) of any member of Contractor Group, arising out of or in connection with the Contract.
10. **Performance of Services/Defects Correction:** Contractor shall ensure that it is ready to commence the Services on the commencement date as set out in the Order and shall commence and continuously proceed with the same in accordance with the scheduling requirements of Company until complete in accordance with the Contract. If Company identifies any defect in the Services (or any rectified Services) at any time during the performance of the Services or within twelve (12) months from the date of completion of the Services (or, as applicable, within twelve (12) months from the date of completion of the rectification of any Services in accordance with this Clause 10), Company may give notice thereof to Contractor. Following receipt of such notice, or at such other time as required by Company to comply with Company's operational requirements, Contractor shall forthwith carry out all work necessary at its own cost to rectify such defect. If Contractor fails to comply with its obligations under this Clause 10, Company may have such obligations carried out by others and all costs reasonably incurred by Company as a direct result thereof shall be recoverable by Company from Contractor.
11. **Health, Safety, Environment and Security:** Contractor shall, and shall procure that all other members of Contractor Group shall, actively pursue the highest standards of health, safety, environment and security in connection with the Work and keep strictly to the requirements of Company's health, safety, environment and security policy as attached to the Order.
12. **Payment and Invoicing:** For the performance and completion of the Work in accordance with the Contract, Company shall pay, or cause to be paid, the amounts provided in the Order to Contractor at the times and in the manner as set out in the Order and this Clause 12. Within thirty (30) days from the end of each month following commencement of the Work or, in the case of a lump sum payment, such other invoice period as set out in the Contract, Contractor shall submit to Company a single invoice for the value ascertained in accordance with the Contract for the Work performed in accordance with the Contract during the month in question or, in the case of a lump sum payment, during such other invoice period. Contractor shall deliver the invoice to Company within two (2) working days from the date of the invoice. The invoice shall be broken down into individual items in such detail as to enable Company to calculate how the total value of the invoice has been reached and shall contain such further information as specified in the Contract or which Company may otherwise. Incomplete or incorrectly raised invoices will be returned to Contractor unactioned. Each invoice shall quote the Order number and title, VAT payable by virtue of the Legislation which Contractor proposes to collect or for which it will seek reimbursement from Company (including any tax assessed against Company but collected by Contractor), Contractor's tax registration number, the amount due in Indonesian Rupiah currency, the Domestic Content which has been fulfilled by Contractor up to the date of respective invoice, and such other details as may be specified in this Contract or required by Company and shall be forwarded, together with adequate supporting documentation, to the person and address as set out in the Order. An invoice shall be deemed to have been received by Company if such invoice has been stamped by the Finance Department of Company. Company shall verify any invoice properly submitted and supported within fifteen (15) days from the date when Company receives the invoice ("**Verification Period**"). Company shall pay or cause to be paid the due amount in the Indonesian Rupiah currency within thirty (30) days from the end of the Verification Period by electronic fund transfer to the account of Contractor with a National General Bank with BUMN/BUMD status or National Private Bank domiciled in Indonesia. Company shall pay Contractor's final invoices only after Contractor has fulfilled its Domestic Content obligations under Clause 34 as verified by Company (or other party appointed by Company). If within the Verification Period, Company disputes the amount of any invoice, in whole or in part, Company will notify Contractor as to the amount Company agrees to be correct and Contractor will issue two (2) invoices to Company: (a) one (1) invoice containing the undisputed amount; and (b) another invoice containing the disputed amount. Company reserves the right to withhold payment of the invoice containing the disputed amount pending resolution, following which payment shall be due from the date and to the extent determined as part of such resolution. The latest time for submission of invoices in respect of amounts due to Contractor in connection with the Contract shall be ninety (90) days from the completion of the relevant part of the Work or the expiry or termination of the Contract, whichever is the earlier. Any amounts payable by Company hereunder may, without prejudice to any other rights or remedies which Company may have, be withheld and/or set-off by Company in whole or in part by reason of any actual or anticipated claims by Company against Contractor arising under the Contract or any other contract between Company and Contractor. Exercise by Company of its rights to dispute an invoice or to withhold or set-off payment under this Clause 12 does not entitle Contractor to suspend performance of the Work.
13. **Liabilities and Indemnities:** Contractor shall be responsible for, indemnify, defend and hold Company Group harmless from and against all Claims in respect of injury to or sickness, disease or death of any person in Contractor Group and loss of or damage to the property of any member of Contractor Group, arising out of or in connection with the Contract. Company shall be responsible for, indemnify, defend and hold Contractor Group harmless from and against all Claims in respect of injury to or sickness, disease or death of any person in Company Group and, subject to Clause 9, loss of or damage to the property of any member of Company Group, arising out of or in connection with the Contract. Notwithstanding any provision to the contrary elsewhere in the Contract, Company shall be responsible for, indemnify, defend and hold Contractor Group harmless from and against Company Group's own Consequential Loss and Contractor shall be responsible for, indemnify, defend and hold Company Group harmless from and against Contractor Group's own Consequential Loss, arising out of or in connection with the Contract. Except where expressly stated to apply to the extent of the negligence or breach of duty (statutory or otherwise) of the indemnifying party, all exclusions and indemnities given under Clause 9 and this Clause 13 shall be full and primary notwithstanding the provisions of Clause 14 and shall apply irrespective of cause and notwithstanding the negligence or breach of duty (statutory or otherwise) of the indemnified party or any other person and shall apply irrespective of any claim in tort, under contract or otherwise at law. Each party shall give the other prompt notice of any Claims with respect to the exclusions and indemnities under this Clause 13, accompanied by full details (where reasonably practicable and to the extent not subject to legal privilege) of the circumstances of any incident giving rise to such Claims and the parties shall co-operate in the defence of any such Claims, including negotiations, appeals or any settlement or compromise. If either party intends to irrevocably settle any Claims under this Clause 13 for which indemnification is sought, it shall do so only after having obtained the prior consent of the other party, such consent not to be unreasonably withheld or delayed.
14. **Insurance:** Contractor shall effect and maintain as a minimum the insurances of the types and in the amounts as set out in this Clause 14 and shall ensure that they are in full force and effect for the duration of the Contract. All such insurances shall be placed with reputable and substantial insurers satisfactory to Company and Contractor shall bear all excesses, deductibles or limitations incorporated therein. All insurances which Contractor is required to effect and maintain under the Contract shall contain an agreement from the insurers to waive all rights of recourse, including subrogation, against Company Group, and shall be primary as regards any other insurance coverage in respect of the risks assumed by Contractor under the Contract. The insurances required to be effected and maintained pursuant to this Clause 14 are: (a) Workmen's Compensation Insurance (or equivalent insurance) to the minimum amount required by Legislation, including the laws of the state of origin of Contractor's expatriate employees or their equivalents; (b) Employers Liability Insurance covering injury to or sickness, disease or death of the employees of Contractor engaged in the Work to the minimum amount required by Legislation, but in any event in an amount not less than [five million US Dollars (US\$5,000,000)] each and every occurrence, inclusive of costs and expenses; (c) General Third Party

Liability Insurance covering the operations of Contractor in the performance of the Contract, including liability for products and post-works, cross liability and accidental pollution and contamination in an amount not less than [five million US Dollars (US\$5,000,000)] each and every occurrence (annual aggregate in respect of products and post-works, and accidental pollution and contamination), inclusive of costs and expenses. Such insurance shall include Company Group as additional insured to the extent of the liabilities assumed by Contractor under the Contract; and (d) such other insurances as specified in the Order or as required by Legislation. Contractor shall ensure that the insurance obligations under each Subcontract, including the type and amount of the required insurances, shall be consistent with the Contract in relation to the part of the Work carried out by the relevant Subcontractor. Contractor shall require that such insurances contain an agreement from the insurers to waive all rights of recourse, including subrogation, against Company Group.

- 15. Taxes and Duties:** Contractor shall, in accordance with any Legislation: (a) be solely responsible for and shall pay all Taxes arising out of this Contract or performance of the Work. Unless Contractor provides Company with a Certificate of Exemption from withholding tax (Surat Keterangan Bebas Pemotongan PPh) pursuant to Indonesian Income Tax Law, Company shall withhold from payments due to Contractor the required withholding tax, and shall on a timely basis remit the appropriate amounts of withholding tax (PPH) to the Indonesian Taxation Authorities, and forward the appropriate receipt to Contractor within thirty (30) days from the date of payment. Such receipts are to be considered as proof of payment of taxes paid on Contractor's invoice(s) by Company. Contractor shall indemnify and save Company harmless from and against the results of the failure of Contractor to pay any of its tax obligations; (b) if Company is required to account for Indonesian VAT on Contractor's Work rendered hereunder, be imposed with such VAT. Company shall make no payment of any invoice to Contractor unless tax invoice/"faktur pajak" is provided in the required amount. Invoices not supported by the tax invoice/"faktur pajak" will be returned to Contractor for resubmission with the correct documentation. The settlement of VAT by Company shall be made in accordance with the applicable government regulation on VAT. Company in accordance with latest government regulation as VAT collector, for the value of claim for payment including VAT above ten (10) million rupiahs, shall on a timely basis pay the appropriate amounts of VAT to the Indonesian Taxation Authorities and return one original copy of the Surat Setoran Pajak (SSP) to Contractor within thirty (30) days from the date of payment to the Indonesian Taxation Authorities. Such SSPs are to be considered as proof of payment of VAT paid on Contractor's invoice(s) by Company; (c) if VAT is instead the responsibility of Contractor to collect and pay over, collect such tax and pay them to the appropriate governmental agency. Contractor shall fully comply with the regulations and requirements of the Indonesia's (and any other applicable) VAT system, including any and all government requirement concerning report, submission SPT, maintenance of books and notes as well as tax payment and shall obtain and maintain a VAT registration number, which must be included in Contractor's invoices. Contractor shall provide Company on a timely basis with invoices and any other documentation that may be required for Company to obtain tax reimbursement, credit, abatement or refund of any taxes assessed against Company in accordance with Legislation. Contractor shall indemnify and hold harmless Company from and against any Contractor failure in carrying out such things. Contractor will bear and pay any expenses of such compliance; and (d) cooperate with and make every effort to assist Company Group in obtaining any available remission, rebates, credits, deductions, exemptions and refunds in respect of Taxes payable by Company Group (including any applicable VAT). All such amounts received as refunds or otherwise shall accumulate to the benefit of Company Group and be itemised and expressly set off against money owed to Contractor by Company. All such amounts paid by the relevant Taxation Authority directly to Contractor Group shall be expressly set off against monies owed to Contractor by Company or Company may recover the same as a debt. Contractor shall, and shall procure that all Subcontractors shall, comply with all Legislation concerning all company or branch office Taxation, including administrative and registration requirements, maintaining proper accounting records and properly filing all documents required by Legislation to be filed. Contractor shall be responsible for and shall pay, or shall procure that any relevant Subcontractor is responsible for and shall pay, and shall indemnify, defend and hold Company Group harmless from and against, all Taxation assessed or imposed on Contractor, or Subcontractor, in connection with the Contract, and any Claims in connection with such Taxation obligations. Contractor shall be responsible for, indemnify, defend and hold Company Group harmless from and against all Taxation assessed or levied against or on account of wages, salaries or other emoluments or deemed benefits paid to

Personnel or any other person employed by any member of Contractor Group in connection with the Contract, and any Claims in connection with such Taxation obligations. Where Company is required to withhold amounts from Contractor in accordance with Legislation (including Taxes whether or not they are measured by the wages, salaries or other remuneration or benefits paid to Contractor Personnel) Company is entitled to withhold all such amounts from any amounts due to the Contractor under this Contract or any other contract with Company. Company shall provide to Contractor a tax certificate within ninety (90) days of the end of the relevant tax period. In the absence of such tax certificate, Company shall transfer the withheld payments to Contractor within thirty (30) days. Contractor shall not be responsible for any interest and/or penalties arising directly from Company's failure to properly remit or administer withholding taxes. Company shall save, defend and hold harmless Contractor in respect of any claims for interest and penalties arising therefrom. Contractor shall, and shall procure that all Subcontractors shall, comply with all Legislation concerning all company or branch office Taxation, including administrative and registration requirements, maintaining proper accounting records and properly filing all documents required by Legislation to be filed. Subject to the first paragraph of this Clause 15, Contractor shall be responsible for and shall pay, or shall procure that any relevant Subcontractor is responsible for and shall pay, and shall indemnify, defend and hold Company Group harmless from and against, all Taxation assessed or imposed on Contractor, or Subcontractor, in connection with the Contract, and any Claims in connection with such Taxation obligations. Contractor shall be responsible for, indemnify, defend and hold Company Group harmless from and against all Taxation assessed or levied against or on account of wages, salaries or other emoluments or deemed benefits paid to Personnel or any other person employed by any member of Contractor Group in connection with the Contract, and any Claims in connection with such Taxation obligations. Where Company is required to withhold amounts from Contractor in accordance with Legislation (including Taxes whether or not they are measured by the wages, salaries or other remuneration or benefits paid to Contractor Personnel) Company is entitled to withhold all such amounts from any amounts due to Contractor under this Contract or any other contract with Company. Company shall provide to Contractor a tax certificate within ninety (90) days of the end of the relevant tax period. In the absence of such tax certificate, Company shall transfer the withheld payments to Contractor within thirty (30) days. Contractor shall not be responsible for any interest and/or penalties arising directly from Company's failure to properly remit or administer withholding taxes. Company shall save, defend and hold harmless Contractor in respect of any claims for interest and penalties arising therefrom. Contractor shall, and shall procure that all Subcontractors shall, furnish Company with such Data and documentation in relation to Contractor's activities under the Contract as may be requested by Company for any purpose, including enabling Company to: (a) fulfil its obligations relating to Taxation; or (b) comply with any request by any Taxation Authority, and where such information is not known to Contractor or Subcontractor, Contractor shall use its best endeavours to obtain it or to procure that the relevant Subcontractor shall obtain it. Contractor shall, and shall procure that all Subcontractors shall, retain all Data and documentation relating to Contractor's activities under or pursuant to the Contract as shall enable Contractor to comply with its obligations under this Clause 15 or Clause 16 for so long as the longest applicable statute of limitations (including any waivers of a statute of limitations by Contractor) remains open, under which a Taxation Authority may institute audit, assessment or collection procedures for taxes paid or allegedly due in connection with this Contract. The Data and documentation shall be provided at Company's request and in the format requested by Company. Company may offset any amounts due from Contractor under the indemnities at Clause 15 from any payments Company is due to make to Contractor under the Contract. Company shall have no liability to reimburse Contractor for any amount to the extent that such amount is eligible for relief, reduction, exemption or recovery by the actions of Contractor or any Subcontractor. Contractor shall promptly and timely notify Company of any pending or actual assessment of VAT or Import/Export Charges, for which Contractor may seek reimbursement from Company. "Promptly and timely" means that Contractor must notify Company so that Company has enough time and a reasonable opportunity to appeal, protest or litigate the pending or actual assessment in an appropriate venue. To the extent that Contractor fails to give prompt and timely notice, Company has no obligation to, and will not, reimburse Contractor for these taxes or costs. At Company's request and at Company's cost, Contractor shall initiate an appeal, protest or litigation in Contractor's own name if Contractor is the only party that can legally initiate this appeal, protest or litigation. If Company or another Company Group is required to pay any amount indemnified by Contractor under Clause 15 or Clause 16 in order to pursue an appeal, protest or litigation,

Contractor shall reimburse Company or other Company Group for that amount promptly upon receipt of a written request from Company.

- 16. Customs Duties:** Except as otherwise set out in the Contract, Contractor shall comply with all relevant Legislation (including in respect of security) in respect of renting, hiring, purchasing, importing, exporting, delivering or otherwise using the Goods or the Import/Export Items in connection with the Contract (including obtaining any necessary customs clearance or other governmental authorisation required for moving such items into and out of any jurisdiction). Contractor shall import and export, as appropriate, all Goods or Import/Export Items and shall be solely responsible for and shall bear and pay all customs duties (and any fines, penalties and interest thereon) and all import and/or export declarations connected with the Work. Contractor shall procure that all applicable Goods and Import/Export Items are imported/exported and documented to enable maximum advantage to be taken of such reliefs, reductions, exemptions and benefits as may be available in the jurisdiction of the Worksite, including bonding. If Contractor will import property or Work that will be directly used in oil and gas operations, such property and Work are to be imported using the import facilities as provided by the pertinent agreement between Company and the Government of Indonesia. When applicable, Contractor shall cooperate with Company and ensure compliance with said import facilities and shall assist Company in obtaining exemptions under the auspices of said import facilities. Contractor shall make available on a confidential basis to any Taxation Authority all data reasonably necessary to enable Contractor to obtain the maximum benefits in terms of any exemptions available in respect of any duties imposed and shall pass all such benefits in full to Company. Contractor shall not conduct any action that detracts from obtaining the exemptions. Contractor shall provide, or shall procure that Subcontractors shall provide, all Data and documentation as is necessary or deemed to be necessary by Company to ensure compliance with all such Legislation or reliefs, reductions, exemptions and benefits as are referred to in this Clause 16. Where Goods are sold to Company under this Contract, Contractor shall prepare and provide to Company full documentation to show and certify all information regarding items subject to the control of any Taxation Authority in relation to imports/exports, including the origin, status and classification as may be necessary for Company to minimise or nullify the effect of duty on such items. The Contractor is responsible for obtaining all necessary permits, licenses, authorizations and clearances for export from the Country or the Worksite, and the import into the destination country, of any Import/Export Items which are exported from the Country or the Worksite and for complying with Legislation, including those of the country of import and the country of origin. Contractor shall export each Import/Export Item from the Country or Worksite, when such Import/Export Item is no longer needed for the Work. All temporary import bonds shall be administered by and provided at the sole cost of Contractor. Subject to letter b of the first paragraph of Clause 15, Contractor shall be responsible for and shall pay and shall indemnify, defend and hold Company Group harmless from and against all Taxation assessed or levied on or against it in respect of any of the Goods or Contractor Items, including Claims resulting from the full benefit of available exemptions being prejudiced or not being received by Company and/or resulting from the failure to obtain necessary permits, licences, approvals, consents or other forms of authorisation required together with any costs of compliance, costs of proceedings or other expenses. Company may offset any amounts due from Contractor under this indemnity from any payments Company is due to make to Contractor under the Contract.
- 17. Assignment and Subcontracting:** Contractor shall not at any time assign or otherwise transfer its rights and/or obligations under the Contract in whole or in part without Company's prior consent. Contractor shall not subcontract the whole of the Work or the primary component of the Work or more than fifty per cent (50%) of the Total Estimated Contract Price to another party. Contractor shall not subcontract any part of the Work without the prior written approval of Company which may be withheld in Company's sole discretion. In addition to any other rights and remedies available to Company provided in this Contract, Contractor's failure to comply with the provisions of this Clause subjects Contractor to sanctions stipulated in the Administrative Guidelines. Contractor shall be responsible for all work, acts, omissions and defaults of Subcontractors as fully as if they were work, acts, omissions or defaults of Contractor. Contractor shall be responsible for making payment to the Subcontractor in respect of the performance of work subcontracted under this Contract. Contractor shall be responsible for, indemnify, defend and hold Company Group harmless from and against all Claims that a Subcontractor has not been paid for work carried out in connection with the Contract, including the provision of any equipment, materials or services. Contractor shall ensure that any Subcontract shall contain as a
- minimum clauses equivalent to Clauses 4, 9, 23 and 25 of this Contract and shall obtain the express legally enforceable written agreement of the Subcontractor to comply with all subcontracting provisions required in the Administrative Guidelines.
- 18. Audit and Storage of Documents:** Contractor shall, and shall procure that Subcontractors shall, keep full and complete accounts and records in connection with the Contract. Company and/or its authorised representatives shall, at its own discretion or at the Host Government request, have the right at their own cost and at all reasonable times (and in any event within ten (10) days from receipt of a request from Company) to inspect and audit any of Contractor's accounts or records as may be necessary in the sole opinion of Company to verify that the requirements of the Contract are being and have been met and all data and documentation relating to the rates and prices as may be required to verify payments made to or by Contractor under or in connection with the Contract. Company or its authorised representatives shall have the right at all reasonable times to reproduce and retain copies of such accounts and records. Contractor shall co-operate fully with Company and its authorised representatives in the conduct of any inspection or audit required by Company. Contractor shall obtain equivalent rights of inspection and audit to those specified above from Subcontractors and will cause such rights to extend to Company. Any amounts found as a result of such inspections and audits to have been overcharged by Contractor shall be repayable to Company. Such payment shall be made within thirty (30) days from receipt of an invoice from Company. Contractor shall keep all documents and data (howsoever stored) related to the Contract for a period of six (6) years from whichever is the earlier of the completion of the Work or the expiry or termination of the Contract, or such longer period as may be required by Legislation.
- 19. Suspension and Variation:** Company shall have the right, by notice to Contractor, to instruct the suspension or variation of all or any part of the Work. Contractor's entitlement to any additional payment or adjustment to the price, as applicable, arising from any suspension or variation shall be valued at the appropriate rates and prices included in the Contract or, in the absence of the same, a fair valuation shall be made by Company. Contractor shall not be entitled to any additional payment or adjustment to the price where the suspension or variation is as a result of any breach of the Contract by Contractor or any error or omission of any member of Contractor Group or instructed under Clause 24. In respect of any suspension, Company may, by further notice, instruct Contractor to resume all or any part of the Work.
- 20. Termination:** Company shall have the right by giving a notice at least thirty (30) days prior to the Termination Date to terminate all or any part of the Work or the Contract at any time by notice to Contractor in the event that Contractor: (a) fails to comply with its obligations under the Contract in relation to health, safety, environment and security or Legislation (including any failure to comply with its obligations under Clauses 23 or 24); (b) makes any composition or arrangement with its creditors, becomes insolvent or goes into liquidation or receivership or is the subject of an administration order or any event occurs, or proceeding is taken with respect to Contractor in any jurisdiction that has an effect equivalent or similar to any of the aforementioned events; or (c) is in material breach under the Contract; or (d) in the event that the penalty limit under Clause 33, is reached, or it is obvious it will be reached. In addition, Company shall have the right at any time by giving notice at least thirty (30) days prior to the Termination Date to Contractor to terminate all or any part of the Work or the Contract to suit the convenience of Company or if at the fiftieth (50th) day of any delay of Work, Company in its own discretion consider that Contractor will not be able to continue performing the Work, in which event Company shall only be liable to pay for the part of the Work carried out in accordance with the Contract prior to the date of receipt of Company's termination notice. Company and Contractor mutually waive all rights or obligations provided in Articles 1266 and 1267 of the Indonesian Civil Code and as a result of this waiver, these Articles do not limit or otherwise affect the Parties' rights to terminate or suspend this Contract.
- 21. Force Majeure:** Neither party shall be responsible for any failure to fulfil any term or condition of the Contract if and to the extent that fulfilment has been delayed or prevented by a Force Majeure Event provided that the affected party notifies the other party on an ongoing basis of the nature, extent, effect and likely duration of the circumstances constituting the Force Majeure Event. The affected party shall use all reasonable endeavours to limit the effect of that delay or prevention on the other party. For the purpose of this Clause 21, "**Force Majeure Event**" means and shall be limited to: (a) riot, war, invasion, act of foreign enemies, hostilities (whether war is declared or not), acts of terrorism, civil war,

rebellion, blockades by local communities, revolution, insurrection of military or usurped power; (b) earthquake, flood, fire, explosion and/or other natural physical disaster, but excluding weather conditions as such, regardless of severity; (c) strikes at a national or regional level or industrial disputes at a national or regional level, or strikes or industrial disputes by labour not employed by the affected party, its subcontractors (of any tier) or its suppliers and which affect a substantial or essential portion of the Work; and (d) any local or other governmental authority action or inaction affecting any licences, permits, temporary permits, authorisations or approvals required by Company for its operations, but in each case only to the extent such events are: (i) not within the control of the party in question; (ii) unavoidable notwithstanding the reasonable care of, or the taking of reasonable steps by the party affected; and (iii) are not the result of any failure of the affected party to carry out any of its obligations under the Contract or any negligence of such party or, where Contractor is the affected party, of any Subcontractors. Following notification of a Force Majeure Event in accordance with this Clause 21, the parties shall meet at appropriate intervals to agree on a mutually acceptable course of action to minimise the impact and effects of such Force Majeure Event on the parties. Upon cessation of a Force Majeure Event, the affected party shall forthwith resume full performance of its obligations under the Contract, taking into account Company's operational requirements. Company shall have the right to terminate all or any part of the Work or the Contract at any time by notice to Contractor in the event any Force Majeure Event continues, or it is obvious that it will continue, for more than seven (7) days, provided that Contractor shall not be entitled to any payment in connection with any such termination.

22. **Data and Intellectual Property Rights:** Title to all data and documentation provided by or on behalf of any member of Company Group in connection with the Contract shall at all times remain the property of (and title to it shall remain vested in) Company or, as applicable, the relevant person with title to the same and shall not at any time transfer to any member of Contractor Group. Title to any data or documentation which is or is required to be prepared, produced, created, generated, processed, stored, provided or transmitted by or on behalf of Contractor in accordance with the Contract or in contemplation or the performance of, or for the purposes of, the Work ("Contract Data") shall vest in Company as soon as the preparation, production, creation or generation of the same commences. Contractor shall ensure that all data and documentation provided by or on behalf of any member of Company Group in connection with the Contract and any Contract Data which is in the care, custody or control of any member of Contractor Group, shall be suitably marked or clearly identified as the property of Company. Contractor irrevocably assigns to Company all right, title and interest in and to all intellectual property rights and all other rights created, developed or arising from the performance of the Work by or on behalf of Contractor. Contractor shall, and shall procure that any necessary third party shall, promptly perform such acts as may be required for the purpose of assigning to Company all right, title and interest in and to such intellectual property rights and all other rights. Contractor shall obtain waivers of any moral rights in respect of any materials to which any individual is now or may be at any future time entitled which are to be owned by Company under this Clause 22. Company grants to Contractor a non-transferable, non-exclusive licence during the term of the Contract to use the intellectual property rights vested in Company (including those assigned to Company by virtue of this Clause 22) for the purpose of and to the extent required to perform the Work. Contractor grants to Company an irrevocable, perpetual, worldwide, royalty-free, sub-licensable licence to use all property of Contractor Group and all other intellectual property rights of Contractor Group made available or supplied to Company for the purpose of and to the extent required to receive, use and/or obtain the benefit of the Work. Contractor shall be responsible for, indemnify, defend and hold Company Group harmless from and against all Claims arising out of or in connection with the Contract alleging that the performance, receipt or use of the Work or the Goods infringes any third party's intellectual property or other rights.
23. **Business Ethics:** Contractor represents and warrants that it has read and understood the Ethics and Conduct Code for Suppliers located at: http://www.repsol.energy/imagenes/global/en/Ethics_and_Conduct_code_for_Suppliers_tcm14-63784.pdf and shall adhere to and shall procure that all other members of Contractor Group shall act in a manner consistent with the same in connection with the Contract. Contractor represents and warrants that Contractor Group has not bribed in connection with obtaining the Contract. In connection with the Contract, Contractor shall, and shall procure that the other members of Contractor Group shall: (a) strictly observe and comply with all Applicable Corruption Laws; and (b) not Bribe. Contractor represents and warrants, to the best of its knowledge and belief, that neither it nor any other

member of Contractor Group is being or has been: (a) convicted of; or (b) investigated for, any offence under Applicable Corruption Laws. For the purpose of the foregoing, the expression "to the best of its knowledge and belief" shall refer only to those matters within the direct knowledge and belief of Contractor and its agents, directors, officers, employees, consultants and agency personnel. Contractor represents and warrants that: (a) its agents, directors, officers, employees, consultants and agency personnel have been given adequate training and informed of their obligations in relation to Applicable Corruption Laws; (b) it has in place adequate policies and procedures in relation to business ethics and conduct, including on reporting and investigating suspected violations, to prevent wrongdoing and which are compliant with Applicable Corruption Laws; and (c) it has used best endeavours to ensure that the other members of Contractor Group comply with requirements equivalent to those in this Clause 23. To the maximum extent permissible by law, Contractor shall, and shall use best endeavours to procure that the other members of Contractor Group shall, provide Company with access to personnel and/or any facilities or premises at or from which the Contract is being performed in order to confirm compliance by Contractor with its obligations under this Clause 23. Contractor shall notify Company immediately in writing on: (a) becoming aware of any extortive solicitation, demand or other request for anything of value, by or on behalf of any person relating to the Contract or its subject matter; or (b) becoming aware of or suspecting: (i) that any of the representations, warranties or undertakings set out in this Clause 23 are no longer accurate; or (ii) any failure to comply with any provision of this Clause 23. Contractor shall, and shall procure that the other members of Contractor Group shall, promptly take all such steps as may be necessary and/or requested by Company to remedy the breach and/or to ensure minimum adverse effect on the Contract. Company Group or its duly authorised representatives shall, at its own discretion or at the Host Government request and at any time during and after the Contract period, have the right to audit Contractor Group's compliance with the provisions of this Clause 23, and to take copies of all Contractor's and the Subcontractors' compliance records.

24. **Sanctions and Trade Controls:** Contractor shall, and shall procure that the other members of Contractor Group shall, comply with all applicable trade, economic and financial sanction laws, anti-boycott and export control laws, including those of the United Kingdom, the European Union, the United Nations, the Kingdom of Spain and the United States of America ("Sanctions and Trade Controls Laws") with respect to any goods, software or technology to be provided or any services to be performed under the Contract and not carry out or permit any act or omission which would result in a breach of or non-compliance with the same. With regard to Sanctions and Trade Controls Laws, Contractor shall be responsible for obtaining any required government authorisations, including applicable export licenses or exemption authorisations. Without prejudice to the generality of the foregoing provisions of this Clause 24, in connection with the Contract, Contractor shall avoid any dealings with any person listed or designated as a sanctioned person (or any person owned or controlled (as such terms are defined under any Sanctions and Trade Control Laws) by a person listed or designated as a sanctioned person) under any Sanctions and Trade Controls Laws (a "Designated Person"). Contractor shall notify Company immediately in writing upon: (a) commencement of any procedure through which any member of Contractor Group may become a Designated Person; or (b) any member of Contractor Group becoming a Designated Person. Upon commencement of any procedure through which any member of Contractor Group may become a Designated Person, Company shall be entitled at any time to suspend all or any part of the Work in accordance with the provisions of Clause 19. Following any member of Contractor Group becoming a Designated Person, Company shall be entitled at any time to suspend all or any part of the Work in accordance with the provisions of Clause 19 or terminate all or any part of the Work or the Contract for material breach. Company shall not be required to comply with any obligation under the Contract which would place any member of Company Group in breach of Sanctions and Trade Control Laws. To the maximum extent permissible by law, Contractor shall be responsible for, indemnify, defend and hold Company Group harmless from and against all Claims in respect of any failure by Contractor to comply with its obligations under Clause 23 and this Clause 24.
25. **Confidentiality:** Contractor undertakes to keep confidential all details connected with the Contract and its negotiation, the existence and subject matter of the Contract itself and all information relating to Company Group, and not to publish or disclose such details or information to any third party without Company's prior consent.

26. **Liens, Charges and Encumbrances:** Contractor shall, and shall procure that all other members of Contractor Group shall, protect and hold all property of Company Group free from all liens, charges or other encumbrances in connection with the Contract. Contractor shall be responsible for, indemnify, defend and hold Company Group harmless from and against all Claims in respect of liens, charges or other encumbrances created or asserted by or on behalf of any member of Contractor Group over the property of Company Group in connection with the Contract.
27. **Performance Bond:** If the Total Estimated Contract Price is more than US\$100,000 or Rp.1.000.000.000, Contractor shall furnish Company with a performance bond and the performance bond shall comply with the requirements of this Clause. Contractor is required to furnish Company with a performance bond naming Company as beneficiary at Contractor's expense to guarantee Contractor's performance of the Work in the form set out in Appendix [*]. Contractor's failure to perform in accordance with this Contract will result in forfeiture of this bond in favor of Company. The remedy afforded by this bond is in addition to other rights and remedies available to Company. This obligation to furnish a performance bond is required by and compliant with Legislation. This bond shall be furnished on or before the Effective Date and shall continue in effect until three months after the Contract ends. Company may ask Contractor to extend the validity of this bond until completion of Domestic Content verification process. The value of this performance bond shall be equal to five percent of the Total Estimated Contract Price. If the Total Estimated Contract Price is less than eighty percent of Company's Estimated Price, the value of the bond shall be equal to five percent of Company's Estimated Price. If the Total Estimated Contract Price increases (for example, if the scope of Work is expanded), the amount of the bond shall also be increased to a sum equal to five percent of the Total Adjusted Contract Price. If the term of the Contract is extended, Contractor shall provide a new performance bond in a sum equal to five percent of the Total Estimated Contract Price as extended. If the Total Estimated Contract Price was US\$100,000 or Rp.1.000.000.000 or less at the beginning of the Contract but the adjustment increases this amount to a sum in excess of US\$100,000 or Rp.1.000.000.000, Contractor shall furnish Company with a performance bond. The amount of the bond shall be a sum equal to five percent of the Total Adjusted Contract Price. This bond shall be furnished on or before the date of the adjustment and shall continue in effect until three months after this Contract terminates, regardless the reduction of the value of the performance bond as stipulated in this clause. Company may require Contractor to extend the validity of this bond until completion of the Domestic Content verification process. Contractor shall obtain the performance bond from a General Bank (excluding people credit bank) with BUMN/BUMD status or from the Indonesian Export Financing Institution (*Lembaga Pembiayaan Ekspor Indonesia*) ("**LPEI**") which is the export credit agency as established by Law No. 2 Year 2009, which shares are wholly owned by the Government of Indonesia and was created for the purpose of supporting national exports, that meets all of the following criteria: (a) The issuer is willing to provide a statement letter warranting its ability to pay the bond amount; (b) The issuer is willing to issue an unconditioned bond that is substantially identical to Company's model performance bond; (c) The issuer does not fall within the category of bank that is non-performing in liquidating a bond with any cooperation contract contractor. If the term of this Contract is more than one year or a multi-years contract, the value of the performance bond for the second year and each year thereafter shall be reduced to a sum equal to five percent of the prorated Total Estimated Contract Price per year multiplied against the remaining Contract period. In case the performance bond is cancelled unilaterally by Contractor prior to the expiration date of such performance bond, so that Company cannot exercise its right to forfeit the performance bond, Contractor shall be subject to the sanction provided under the Administrative Guidelines. If Company requires an extension of performance bond, Company shall notify Contractor of such requirement of extension not later than twenty (20) working days prior to the expiration date of the performance bond. Contractor shall furnish the performance bond extension not later than fifteen (15) working days from the date of the notice from Company. If Contractor fails to furnish the performance bond extension within the given period, Contractor shall pay a penalty to Company in the amount of zero point one per cent (0.1%) of the remaining Total Estimated Contract Price and Company shall withhold from any money which becomes payable under this Contract the amount which is the subject of the performance bond value as replacement of the performance bond extension until the Company receives the same from Contractor. If the penalty has reached its maximum and Company has not received the performance bond extension from Contractor, however, Company does not suspend the Work, Contractor shall be imposed with red category penalty under the Administrative Guidelines. If Company makes any claim on the amount of performance bond and the issuer of the performance bond fails to make payment within three (3) months period from the date of claim, Contractor shall furnish Company with a replacement performance bond not later than ten (10) working days from the date when Company notifies Contractor of its failure to forfeit the performance bond.
28. **Status of Company:** Company enters into the Contract for itself and as agent for and on behalf of Co-Venturers. Without prejudice to Clause 29 and notwithstanding the foregoing: (a) Company is entitled to enforce the Contract on behalf of Co-Venturers as well as for itself (and for that purpose Company may commence proceedings in its own name to enforce all liabilities and obligations of Contractor and make any claim which any Co-Venturers may have against Contractor); and (b) all claims recoverable by Company pursuant to the Contract or otherwise shall include the claims of Co-Venturers, provided that such claims shall be subject to the same limitations or exclusions of liability as are applicable to Company or Contractor under the Contract.
29. **Third Party Rights:** The parties intend that no provision of the Contract shall by virtue of any Legislation, including the Contracts (Rights of Third Parties) Act 1999, confer any benefit on, or be enforceable by any person who is not a party to the Contract. Notwithstanding the foregoing, the provisions of Clauses 9, 13, 15, 22, 24 and 25 are intended to be enforceable by an Indemnified Group Member to the extent permitted by Legislation, provided that the Contract may be rescinded or varied by the parties without notice to or the consent of any Indemnified Group Member even if, as a result, any Indemnified Group Member's right to enforce a term or condition of the Contract may be varied or extinguished. "**Indemnified Group Member**" means any member of Company Group (other than Company) or Contractor Group (other than Contractor).
30. **Notices:** Any notice to be given under the Contract shall be in writing and may be delivered by hand, by first class pre-paid post, by recorded delivery or by commercial courier. Delivery by commercial courier shall be regarded as delivery by hand. Notices shall be sent to the address of the relevant party as set out in the Order. Any notice shall be deemed to have been received: (a) if delivered by hand, at the time of delivery; or (b) if sent by first class pre-paid post or recorded delivery, two (2) working days after mailing, provided that if the time of such deemed receipt is not during normal hours of business in the time zone of the territory of the recipient, notice shall be deemed to have been received at 10:00am on the next working day in the territory of the recipient. Any notice required to be given under the Contract shall not be validly given if transmitted by e-mail.
31. **Disputes:** Any dispute, difference, controversy or claim between the parties arising out of or in connection with the Contract or the Work, including any question regarding the existence or validity of the Contract or the termination of all or any part of the Work or the Contract (a "**Dispute**"), which cannot be amicably resolved by the Parties within thirty (30) days of notification of the Dispute by a Party to the other Parties may be exclusively and finally settled by arbitration, which either Party may initiate by giving notice to the other Party. The arbitration proceedings shall be conducted in accordance with Badan Arbitrase Nasional Indonesia ("**BANI**") Rules, in effect of the Effective Date. The place of arbitration shall be Jakarta, Indonesia and the arbitral proceeding shall be conducted in English. The arbitration shall be heard and determined by three arbitrators. The appointed arbitrator shall not be of the same nationality as any of the Parties or their ultimate parent entities, shall be and remain at all times wholly independent and impartial, with at least twenty (20) years experiences in the legal and/or commercial aspects of the international petroleum industry, never been an employee of or consultant to any Party or any of its Affiliates or to legal counsel engaged by a Party in respect of the arbitration within the five (5) year period preceding the arbitration, nor have any financial interest in the dispute, controversy or claim. The arbitrator once appointed, shall be prohibited from doing an ex parte communications with any of the Parties to the Dispute concerning the arbitration or the underlying Dispute. The Arbitrators shall be fluent in the English language and be familiar with the law of contracts. Three arbitrators will be appointed in the manner set out as follows: (a) Each Party will appoint one arbitrator from among BANI's list of arbitrators and this appointment shall be made within fourteen (14) days from the date that a Party notifies the other of its decision to initiate arbitration; (b) The two arbitrators shall select a third arbitrator who will serve as the presiding arbitrator. The third arbitrator may be chosen from within or outside of BANI's list of arbitrators and he or she must be a lawyer experienced in the resolution of disputes with experience relating to the issues in dispute. This selection must occur within fourteen (14) days from the date that the other two arbitrators are selected; (c) If either of the Parties

fails to appoint an arbitrator or if the arbitrators fail to agree on a third within the time specified in this Clause, the Chairman of BANI shall select the arbitrator or arbitrators. The following provisions shall apply to any arbitration proceedings commenced pursuant to this Clause: (a) The decision of the arbitrators shall be reduced to writing, shall be final and binding and shall be the sole and exclusive remedy regarding any claims and counterclaims presented to arbitration. In all cases, the arbitrators shall decide in accordance with the terms and conditions of the Contract and the customs and usage of the industry applicable to the transaction and for this purpose, the Parties agree to waive Clause 56(1) of Law No. 30 of 1999 on Arbitration and Alternative Dispute Resolution ("Indonesian Arbitration Law") with respect to the authority of the arbitrators or the arbitral tribunal to decide based on justice and propriety; (b) The arbitrators shall state the basis and reasons of their decision in sufficient detail so as to enable enforcement of the arbitral award; (c) Judgment upon the award may be entered in any court having jurisdiction over the person or the assets of the Party owing the judgment or application may be made to such court for a judicial acceptance of the award and an order of enforcement, as the case may be. Each of the Parties hereby expressly waives any applicable laws and regulations, decrees or policies having the force of law that would give a right to appeal the award of the arbitrators. The Parties nevertheless specifically waive the applicability of Article 48(1) of the Indonesian Arbitration Law and agree that the arbitration need not be completed within specific time; (d) The costs of the arbitration proceedings (including attorneys' fees and costs) shall be borne in the manner determined by the arbitrators; (e) The Parties waive any Claim for, and the arbitrators have no power to award, the damages waived and released under Clause 13. The arbitrators have no authority to appoint or retain expert witnesses for any purpose unless agreed to by the Parties. The arbitrators have the power to rule on objections concerning jurisdiction, including the existence or validity of this arbitration clause and existence or the validity of this Contract; (f) The arbitrators are authorized to take any interim measures as the arbitrators consider necessary, including the making of interim orders or awards or partial final awards. An interim order or award may be enforced in the same manner as a final award using the procedures specified in this Clause; (g) Any procedural issues not determined under BANI Rules shall be determined by the law of the place of arbitration, other than those laws which would refer the matter to another jurisdiction. Proceedings to enforce judgment entered on an award may be brought in any court having jurisdiction over the person or assets of the non-prevailing Party. The prevailing Party may seek, in any court having jurisdiction, judicial recognition of the award, or order of enforcement or any other order or decree that is necessary to give full effect to the award. Where any Claim in connection with or arising out of this Contract is made, the Party making the Claim shall ensure that the other Party is provided details of such Claim including the following information: (a) a clear summary of the facts on which the Claim is based; and (b) the basis on which the Claim is made, including the principal contractual terms and/or statutory terms relied on; and (c) the nature of the relief claimed; and (d) where a Claim has been made previously and rejected by the other Party, and the Party making the Claim is able to identify the reason(s) for such rejection, the grounds of belief as to why the Claim was wrongly rejected.

32. General: (a) Entire Agreement: The Contract shall comprise the entire agreement and understanding between the parties in relation to its subject matter. All previous drafts, agreements, understandings, representations, warranties, promises and arrangements of any nature whatsoever between the parties, whether written or oral, relating to the Contract subject matter are superseded and extinguished, except insofar as they are repeated or otherwise reflected in the Contract. Each party acknowledges that, in entering into the Contract it has not relied on, and shall have no right or remedy in respect of, any statement, representation, assurance or warranty (whether made negligently or innocently) other than as expressly set out in the Contract. The rights and remedies provided in the Contract are independent and cumulative and do not exclude any rights or remedies (express or implied) which are available as a matter of statute, common law or otherwise except to the extent such rights or remedies are expressly excluded in the Contract. (b) Waivers and Amendments: No failure or delay on the part of either party at any time to: (i) enforce or to require the performance of any of the terms and conditions of the Contract; or (ii) exercise any of its rights under the Contract, shall constitute a waiver of such terms and conditions or rights or affect or impair any of such terms and conditions or rights in any way, nor shall it preclude or restrict the right of either party at any time to exercise such remedies it may have for each and every breach of any of the terms and conditions of the Contract. No single or partial exercise of any right or remedy by either party provided under the Contract or by law shall preclude or restrict the further

exercise of that or any other right or remedy by that party. No exercise by Company or its authorised representatives of any of its or their rights or obligations under the Contract, including any right of inspection, testing, witnessing, monitoring or examination, or the giving of any instruction by Company or its authorised representatives or the presence of or observation of the Work by Company or its authorised representatives or any payment made or caused to be made by Company under the Contract shall constitute any acceptance or approval of the Work or the Goods by Company or relieve Contractor from any of its liabilities or obligations under the Contract. The rejection of any part of the Work or the Goods shall not be construed as an approval or acceptance of any part thereof not so rejected. Without prejudice to Clause 19, no amendment to the Contract shall be valid unless it is recorded in an amendment in a format provided by Company and agreed by the parties. (c) Severance: If any provision or part-provision of the Contract is or becomes invalid, illegal or unenforceable, it shall be deemed modified to the minimum extent necessary to make it valid, legal and enforceable. If such modification is not possible, the relevant provision or part-provision shall be deemed deleted. Any modification to or deletion of a provision or part-provision under this Clause 32(c) shall not affect the validity and enforceability of the rest of the Contract. If one party gives notice to the other of the possibility that any provision or part-provision of the Contract is invalid, illegal or unenforceable, the parties shall negotiate in good faith to amend such provision so that, as amended, it is legal, valid and enforceable, and, to the greatest extent possible, achieves the intended commercial result of the original provision. (d) Language: This Contract shall be prepared in both Indonesian and English languages. If a conflict exists between the English version and the version in the language of Indonesia, the version in the language of Indonesia prevails to the extent of the conflict, except with respect to the provisions of the Schedules which are not provided in Indonesian language, in which case the provisions provided in the English language shall prevail. All written communications referred to in the Contract, together with all other data and documentation provided by Contractor in connection with the Contract, including documentation supporting or substantiating any invoices, shall be in the English language unless otherwise required by Legislation in which case Company may request a translation to be provided by Contractor. (e) Saving of Rights: The expiry of the Contract or the termination of all or any part of the Work or the Contract, howsoever occasioned, shall be without prejudice to the rights and remedies of the parties up to and including the date of such expiry or termination and shall not affect or prejudice any provisions of the Contract that are expressed or by their nature intended to come into effect on or continue in effect after such expiry or termination, including any exclusions or indemnities, obligations relating to tax and customs duties, successor contractor obligations, audit rights, record keeping obligations, intellectual property rights, obligations relating to business ethics and compliance with Legislation, confidentiality undertakings and governing law and disputes provisions, which shall continue as valid and enforceable obligations of the parties, provided that in the event of the termination of all or any part of the Work, unless Company notifies Contractor otherwise, the whole of the remaining provisions of the Contract shall remain in full force and effect. (f) Further Assurance: the parties shall at all times do all such further acts and execute and deliver such further deeds and documents as shall be reasonably required in order to perform and carry out the provisions of the Contract. (g) Independent Contractor: Contractor shall at all times be an independent contractor and as such shall control the Work and be responsible for the results. Nothing in the Contract is intended to or shall operate to create a mining or other partnership, joint venture, association or trust between the parties. Neither Contractor nor any person engaged or employed by Contractor, including Subcontractors, shall, other than as expressly authorised by Company in writing, either represent themselves as, or be deemed for any purpose to be, an employee, agent, or representative of Company Group or be authorised to commit Company to any binding legal obligation. (h) Governing Law: The Contract, and any non-contractual rights or obligations arising out of or in connection with it or its subject matter, shall be governed by and construed in accordance with Indonesian law, excluding any choice of law rules which would refer the interpretation of the Contract to the laws of another jurisdiction other than Indonesia.

33. Penalties: If Contractor fails to deliver the Goods in accordance with the provisions of the Contract on the Delivery Date then Contractor shall pay Company penalties. The penalties are subject to all of the following: (a) the amount of these penalties shall be equal to zero point one per cent (0.1%) of the Total Estimated Contract Price or the value of any part of the Work that cannot be delivered in accordance with the requirement regarding timing for performance for each day (or any part of a day) that Contractor fails to comply with the requirement for timely performance, whichever is applicable. The cumulative penalties must not exceed five

per cent (5%) of the Total Estimated Contract Price and the period of delay time must not exceed fifty (50) days, excluding the penalty for failure to achieve Domestic Content obligation, if any; (b) any penalties payable pursuant to Clause 33 shall be immediately due and payable provided that Company may deduct the amount of the penalties due or which may become due to Contractor under the Contract from any payment to Contractor that Company is required to make under this Contract or recover the same as a debt from Contractor by action at law or otherwise. The payment or deduction of such penalties shall not relieve Contractor from its obligation under this Contract to complete the performance of Work. If no payment is due, Contractor shall pay the penalties within thirty (30) days from receipt of Company's notice informing Contractor of its obligation to pay. The rights of Company under Clause 33 are without prejudice to any other rights or remedies which Company may have including: (a) any right of Company to claim damages for breach of the Contract other than delay damages resulting from failure of Contractor to deliver the Goods in accordance with the provisions of the Contract on the Delivery Date; and (b) the rights of Company under Clause 20.

34. **Domestic Content:** Contractor shall comply with all of the following domestic content requirements: (a) Contractor shall fulfil its obligations to meet the Domestic Content. Domestic Content that shall be utilized by Contractor under this Contract is [Insert percentage] per cent. Details of the Domestic Content calculation shall be as contemplated in **Appendix [1]**; (b) Contractor shall keep true and correct records regarding its use of domestic products and compliance with the requirements set out in this Clause 34. Contractor shall, at the end of the Contract period, furnish to Company a report on the realization of the Domestic Content together with the supporting evidences; (c) if Contractor is a Consortium, the composition of the Consortium members shall be fixed and they shall not be changed during the term of this Contract, except with Company's written approval, and Contractor shall ensure that the requirements in respect of the allocation of Work determined in Book Two, Chapter III of the Administrative Guidelines, are met; and (d) if an audit reveals that Contractor's use of domestic products is less than that required in this Contract due to Contractor's fault, Company shall impose administrative and/or financial sanctions in accordance with the Administrative Guidelines. Further, these penalties are subject to all of the following: (i) Company shall deduct the penalty amount from Contractor's last invoices in accordance with the formula determined in the Administrative Guidelines; (ii) If Contractor's invoices are not sufficient to pay the penalty amount, Company shall make demand on the performance bond to cover such penalty. Company shall return any remaining balance value of performance bond after deduction of Domestic Content penalty; and (iii) if the penalty is not fully paid after the forfeiture of the performance bond, Contractor shall pay to Company the remaining balance in full amount and cash within thirty (30) days after receipt of such notice from Company.
35. **Additional Scope of Work:** If the Total Estimated Contract Price is less than eighty percent of Company's Estimated Price, then: (a) the Parties are not allowed to acquire any additional scope of work, except for lump sum contract and unit price contract subject to the requirements provided in the Administrative Guidelines; (b) the Parties are not allowed to reduce the quality and/or the quantity of any goods and/or services; (c) Contractor is not allowed to reduce the Domestic Content commitment; and (d) Contractor shall be imposed with black category penalty under the Administrative Guidelines if Contractor fails to complete the Work, including failure to deliver goods required to complete the Work, in accordance with the Contract.