

**NOCS-SAFE 2014
SAFE**

**Applies from 1 June 2014
until 31 May 2016**

**COLLECTIVE AGREEMENT
FOR EMPLOYEES ON
MOBILE
OFFSHORE UNITS
AND
DRILLING AND CATERING ON PERMANENTLY
PLACED FACILITIES
ON THE NORWEGIAN CONTINENTAL SHELF**

Unofficial translation from Norwegian

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AGREEMENT REGARDING EMPLOYEES ON MOBILE OFFSHORE UNITS IN OPERATION ON THE NORWEGIAN CONTINENTAL SHELF AND EMPLOYEES ENGAGED IN PLATFORM DRILLING AND CATERING ON PERMANENTLY PLACED FACILITIES ON THE NORWEGIAN CONTINENTAL SHELF

1. SCOPE

The regulations are to be applied for employees working on mobile units (regardless of whether the unit is registered in ship register or not) on the Norwegian Continental Shelf, in position which is paid for in accordance with the wage section of the agreement.

The regulations are also applicable to employees engaged in platform drilling on the Norwegian Continental Shelf, in a position that is paid in accordance with the wage section of the agreement. Platform drilling also to be interpreted as assignments concerning maintenance of drilling equipment for such activity.

The regulations are also applicable to employees in catering companies on permanently placed facilities on the Norwegian Continental Shelf and where the catering company is a member of The Norwegian Shipowners` Association with this activity.

This collective agreement can be used as a tariff agreement in staffing/temp agencies which have employees who are hired out on contracts, and who carry out work under the scope of this collective agreement.

As long as this agreement applies between the organisations neither of the parties may enter into new agreements for other employers with permanently employed employees on mobile units and/or platform drilling on the Norwegian Continental Shelf including regulations regarding wage and working conditions deviating from the regulations of this agreement.

Addition to protocol

In connection with the 1996 revision of the agreement SAFE requested the introduction of a regulation stating that employees on the units employed through subcontractors, and who naturally belong within the area of the position, should be regarded as being covered by the agreement. NSA stated that this could involve legal and/or commercial complications. NSA members shall, however, seek to influence such subcontractors to become party to the agreement and upon request by the local shop stewards account for what has been done with regards to this. In addition the parties refer to the existing obligation not to enter into new agreements at variance with this agreement.

2. EMPLOYMENT, NOTICE AND DISMISSAL

2.1 *Employment*

Work contract is entered into in accordance with current legal regulations. Employment is based on a written contract signed by the employee and the employer. The contract shall be a standard contract and shall be in Norwegian. If the employee so wishes, the contract may be written in English.

The contract shall refer to the agreements in force (Basic Agreement and Collective Agreement) which, together with other current regulations regarding the work, shall be handed to the employee.

Engagement of substitutes shall be by written contract. It shall be evident whom the person is substituting for. The employment relationship shall also comprise leisure periods.

Without agreement between employer and employee, to take on paid work for competing company or for oil company which may potentially commission the employer, is not allowed. The same applies to work, which pursuant to current law will be contrary to the employee's general duties according to the work contract.

2.2 Notice of termination and dismissal

Notices of termination and dismissal shall be given pursuant to the regulations of the Working Environment Act. For employees in wage groups 0, 0.1, 1, 2, A and B the term of notice is 3 months.

When notice of termination has been given, and the term of notice pursuant to current regulations expires on a fixed date which, according to the employee's shift schedule is in a leisure period, the employment terminates immediately after the last period on board completed prior to the fixed date. When notice of termination has been given, and the term of notice pursuant to current regulations expires on a fixed date which according to the employee's work schedule is during a period on board, the employment terminates only at the expiration of the period on board.

Employee shall at the time of termination be paid outstanding wages, including wages for earned leisure days, which due to the termination may not be taken out. Wages for earned leisure days must cover at least the days until the expiry date of the period of notice.

The employee shall be paid necessary travel expenses in connection with statutory negotiation meeting in connection with notice of termination or dismissal.

Preference for reappointment under section 14-2 Working Environment Act shall apply to employees above the age of 55 on mobile units, from the time of giving notice and for two years from the expiry date of the period of notice, but in any case so that the extended preference shall lapse on the 60th birthday of the person concerned. A similar extended preference shall apply to employees in platform drilling from the age of 57 to 62.

3. WORKING HOURS AND SHIFT SCHEDULES

3.1 Definitions

Working period: Period (usually 12 hours) during which the employee is working for the employer during 24 hours.

Leisure time: Period between two working periods.

Period on board: Period during which the employee stays continuously on units within the scope of this agreement.

Leisure period: Period between two periods on board.

Vacation: Part of leisure periods being vacation pursuant to the Vacation Act and section 10 of the agreement.

Shift work: A working hours arrangement according to which the work periods for the individual employee is placed at various times of day and night according to a previously determined work schedule.

Work schedule: Shift schedule, rotation schedule showing periods on board and leisure period.

Work cycle: A limited part of the work schedule including periods on board and leisure periods repeated regularly, and which together give weekly working hours in accordance with the provisions of the regulations regarding working hours.

Irregular period: A period between two regular work cycles, with different duration of period on board and/or leisure period.

Daily working hours: Normal working hours during the day in accordance with the company's practice.

Shuttling: Transport between permanent placed and/or mobile offshore units, and/or shore.

Swing shift: Shift work during which the working periods take place at various times of the day and night during one and the same period on board.

3.2 Working hours

Ordinary working hours shall not be based on 12 hours during 24 hours and an average of 33.6 hours per week during a period of maximum one year.

The employee shall be given a work schedule including periods on board the unit and, if possible, safety training as well as summer and winter vacations.

The schedule shall show when a period on board starts and when it expires.

When the transport situation entails that a 12-hour work period must be divided on the days of travelling out and home, this carries no extra payment.

The parties agree that for the application of this agreement the agreed vacation shall be located to the leisure periods of the work cycle. With a work schedule involving 2 weeks' period on board and 3 and 4 weeks of leisure periods alternately, this means that the average annual working time in 2002 will be 11 hours in excess of the 1582 working hours laid down in the wage agreement.

The parties therefore agree that from 1 January 2002 work schedules shall normally be arranged with 2-week periods on board followed by 4-week leisure periods.

When remuneration under section 5.3 is calculated, this 2/6 shall be taken as the basis of 2-4 rotation for those concerned.

In the event of future reductions in working hours, the number of working hours 1.460 agreed on the shelf shall be retained, until industry and/or society reach the number of hours agreed. If general reductions in working hours are implemented without any wage reductions, the value of such reduction shall be compensated financially.

3.3 *Period on board*

The duration of the period on board shall be agreed between the individual company and the local trade union. Where local trade union does not exist, it is to be agreed with the shop stewards.

Under normal conditions the employee shall in principle not return to shore on a later flight than that which carried him out to the field.

Extra work time in connection with a regular period on board may only be allowed pursuant to chapter VIII in the Framework Regulations, to be paid for by overtime pay pursuant to section 5.1.

If the employer, through no fault of his own, is unable to implement crew change in due time, for instance in connection with difficult weather conditions, technical problems with the helicopter or because relief has been taken ill, it is presupposed that the employee or employees concerned continue in service to the extent this is reasonable, if major difficulties for the unit or for those on board would otherwise arise.

Those reporting at the reporting point at the agreed time earn wages, public holiday allowance and leisure period as if they had been at work on the vessel according to schedule. Subsistence and catering expenses during the waiting time are to be covered by the employer according to the same guidelines as mentioned under section 13. This shall also apply for personnel called out in addition to their own work schedule.

If the company asks the employee to postpone travel from home address or advance the time of the return home from the field, wages are earned, even if this results in fewer days on the shelf than given in the work schedule.

Waiting time (leisure time) on board the unit, when work is not carried out is to be paid for by the hourly rate. Waiting time is calculated from the time fixed for departure, or after 14 days from the time the period on board started. Brief interruptions in the period on board are calculated as part of the period on board. Leisure period lost is thus settled. In connection with waiting time at heliport of more than 1 hour in excess of normal departure (due to late helicopter departure) is to be compensated for per hour by the hourly rate, calculated from the time of scheduled helicopter departure. When waiting time at heliport occurs during what should have been working hours on the shelf, and/or when someone is sent to hotel/home from heliport, the waiting time payment is suspended from when the employee checks into a hotel or arrives at home and until he/she leaves the hotel/home.

3.4 Change of work schedule, work cycle or place of work

For operational reasons it may be necessary to change work cycles or to transfer personnel from one place of work or a unit to another. In such situations selection of which employees to transfer, and the destination, shall be decided by the employer.

No one benefits from unnecessary change of work schedule/unit, but crew requirement and wishes from the employees may make this necessary.

When possible the wish of the individual employee will be taken into consideration, also taking into consideration the entire group or groups of employees.

Employees having additional or extended period on board or deviation from regular work cycle shall receive overtime payment pursuant to section 5.3. Deviation due to position training or change of position is to be paid for by ordinary hourly wages.

In the event of a departure from the work schedule, an additional compensation in the amount of NOK 550,- per day, limited upward to NOK 3850,-, is payable for each day the employee works on a day that should have been a leisure day in the period from normal work cycle has been re-established. The same will apply in the event of a permanent transition to a new work cycle if the last leisure period under the previous work cycle is extended (the work schedule is "moved forwards" of the employee). However this paragraph does not apply in connection with the crew's first time mobilising at a new place of departure, or with change of field or operator for the unit.

With instructed change of work schedule as a result of manning reduction, only overtime pay is payable according to item 5.3.

Independent of the above mentioned, there will be no compensation for lost leisure days with a change of work schedule according to the employee's own wishes.

3.5 Working period

Detailed daily working hour's arrangement is to be agreed between the parties on board. No employee is entitled to work exclusively during daytime. When the employees so wish, and nothing else is agreed, one shall try to prepare conditions for a reasonable balance between day and night duty, unless this causes special difficulties. There will be no deduction for instructed resting time.

For senior personnel such as platform manager, technical supervisor, stability supervisor, catering manager, toolpusher and production supervisor, who are not subject to the provisions in the Working Environment Act or the Framework Regulations concerning hours of work, no limited daily working time has been agreed, so that these employees are responsible for organising their own required periods of rest.

3.5.1 Compensation for swing shift

Changes in working period are compensated for every change with an amount corresponding to the overtime bonus (65%). The bonus is to be paid for the first two working periods after the change and for the number of hours the working period has been changed.

If the employee goes for example from work period 06.00 - 18.00 hours to work period 12.00 - 24.00 hours, an overtime bonus (65%) is paid for 6 hours for the first two work periods.

If the employee goes for example from work period 06.00 - 18.00 to work period 18.00 - 06.00, an overtime bonus (65%) is paid for 12 hours for the first two work periods.

The bonus is paid indifferent of the length of the working periods after the change.

By change of working period as a result of prolonged time following a regular period on board where the employee is terminating the prolonged period on board one day after the change of working period (the swing shift), compensation is only to be paid for one working period.

3.5.2 Exceptions/clarifications

No compensation is to be paid for changes in working period as a result of allocated work schedule. Neither is compensation to be paid for change of work period for the entire period on board, when the employee is notified about this prior to departure from heliport.

This shall be practised as following:

- No compensation is to be paid for changed working period by going from one irregular period on board to the regular period on board if the change is a result of allocated work schedule (for the regular period on board).
- If the change of working period is taking place on another hour than what is corresponding with the work schedule, this shall be compensated with the bonuses in item 3.5.1 for two working periods unless the employee is notified about the change prior to departure from heliport.
- By extra periods on board which are not connected to a regular period on board and for substitutes, no compensation is to be paid for changes in the working periods that are a result of the work schedule of the employee who is replaced, or if the employee is notified prior to departure from heliport. The exception is only regarding to one change in working period during a period on board. (Note: Substitutes shall be notified about whom they substitute for and the person's work schedule prior to departure from heliport.)
- No compensation is to be paid if an employee that normally do not have changes in working period is notified about a change in working period prior to departure from heliport. This exception does only concern one change in working period during one period on board.
- If an agreed swing shift is not carried out, there will be no swing shift compensation paid.
- Except for the changes to working periods mentioned in bullet point 1, exception is only applied for one change in working period during one period on board.

3.6 Working hours arrangements at yard and in lay-up

During long stays at yard and in lay-up a different working hour's arrangement than the one laid down in this agreement may be employed according to agreement with the shop stewards. The agreement shall i.a. include regulations regarding working hours, home travel arrangements, etc. If agreement is not reached, the question may be brought before the organisations.

3.7 The right to go ashore during leisure time

During the unit's stay in port or at other secure anchorage when at yard and in lay-up close to shore, an employee has the right to go ashore during his leisure time unless he is required to stay on board for the safety of the persons on board, the vessel or the equipment, to carry out necessary work on board, or due to the forthcoming departure or shifting of the unit, or as a result of instructions from the authorities. If an employee is instructed to stay on board during his leisure time for reasons other than his own situation, or as a result of regulations laid down by public authority, he is entitled to a compensation of NOK 50,- pr. hour.

As far as possible with regard to costs and other conditions, the platform manager shall, at no cost to the crew, provide such boat communication that the crew may use their right to go ashore.

The regulations of this section do not apply when the unit is under contract and the operator for reasons of readiness demand complete crew. Neither do the regulations apply where technical conditions make it unsafe to enter the unit without the use of helicopter.

3.8 Work away from workplace/telecommuting

The individual company can not start work away from workplace/telecommuting without terms and conditions of a local agreement about such work.

3.9 Work onshore

Employees on temporary assignment ashore in their onboard period shall have an agreement stating wages and working conditions before the work takes place.

4. WAGES

4.1 Wage group position

0 Platform manager

0.1 Toolpusher, Production Supervisor

1 Section Supervisors, Technical Supervisor, Deputy Platform Manager with Master Mariner Certification, Maritime Barge Supervisor, Stability Supervisor, Maintenance Supervisor, Deputy Toolpusher

2 Driller, Subsea Engineer, Catering Manager, Senior Electrician/Chief Electrician, Assistant Technical Supervisor

- A1 Ass. Section Supervisors, Electrician, Safety Supervisor, DP-operator, Nurse
- A Ass. Driller, Control Room Operator, Engine Room Operator, Ballast Control Room Operator
- B Operation Engineer, Electrician in Platform Drilling, Rig Mechanic in Platform Drilling, Laboratory Technician, Hydraulic Engineer, Electronics Engineer, Instrumentation Engineer, Process Operator, Crane Operator/supervisor, Storekeeper, Derrickman
- C Radio Operator, Cook, Mechanic, Welder, Drilling and Maintenance Operator (DMO), Deck Supervisor, Caretaker
- D Turret Operator, Derrickman Assistant, Drill Floor Mechanic, Roughneck, Mud Strainer Operator, Receptionist (Dispatcher), Motorman*
- E Operation and Maintenance Operator (OMO), Cleaning Operator,

* Ref Notes

Wage for employees in wage groups 0 to 2 is determined on an individual basis taking into consideration the wage conditions in the company and other conditions, as well as the individual's skills, experience, education, period of employment and areas of work and responsibility. For these employees section 3.1, 3.2, 3.3 first paragraph, 3.4, 3.5, 3.6 and 3.7, section 4.1.1 - 4.1.3, section 4.2 and section 5 - 7 do not apply. However, they shall be paid a compensation equal to ordinary hourly wage and overtime pay according to the rates in item 5.1 for extended time on board (with work) in relation to the duration of their ordinary agreed working hours and the entitlement of own cabin in section 6.9. SAFE will in connection with central negotiations also negotiate with regard to adjustment of the fixed minimum wage rates for individually remunerated positions.

A joint declaration on individual remuneration is agreed upon, see section 27.

SAFE will in connection with central negotiations also negotiate with regard to adjustment of the fixed minimum wage rates for individually remunerated positions.

Notes

Electricians in platform drilling and mechanics in platform drilling with certification within hydraulics shall be promoted to wage group A1 after 1 year in the top wage rate. In the event of promotions, the employee shall be placed in the nearest pay grade above grade 6 in wage group B.

With effect from January 1st 2014 Rig Mechanics in Platform Drilling advanced to wage group A1 after 1 year in the top wage rate in wage group B. Upon advancement the employee will receive the wage position that in NOK's is above and closest to the wage position 6 in wage group B. Those who, per June 1 2013, are paid in salary group A shall be moved accordingly to the salary grade in A1 which is above and closest to the employees wage position in A.

Derrickman assistants, drill floor mechanics, mud strainer operators and roughnecks with trade certificates as drilling and maintenance operators shall be promoted to

wage group C on the 1st of the month after an approved trade certificate has been presented to the company. In the event of promotions, the employee shall be placed in the pay grade closest to the rate in pay grade D which the individual had before the promotion.

A Cleaning Operator holding a certificate of apprenticeship as cleaner will advance to the superjacent pay rate in wage group D.

OMO includes the positions of "roustabout" and "unskilled worker" where these terms are used. "Cleaning Operator" supersedes the previous title "Catering Operator".

The position Operation and Maintenance Operator (OMO) in each company is given a special supplement of NOK 6000, - pr. year including holiday pay to employees who have been at least one year in the top wage rate. Supplement is given the first time with effect from 1 June 2013 for those who at this time has been at least one year in the top wage rate, then 1 January each year.

The permanent positions committee has previously treated the position as Supervising electrician/senior electrician and has decided an individual placement in wage group 02. It is agreed that companies are entitled to use this position with associated wage placement in line with the position committee's decision.

Minimum wage rates per month in effect from June 1, 2014:

Group	Position	Regular monthly wage	Adjusted monthly wage
0	Platform manager	77 006	68 756
0.1	Toolpusher, Production Supervisor	74 832	66 814
1	See wage group	68 307	60 988
2	See wage group	62 870	56 134

These minimum wage rates are based on an average of 1.460 hours per year and 12% vacation allowance (shall be calculated with the current rate for calculation of vacation allowance).

The shop stewards shall have the right to check that the wage level for personnel in wage group 0-2 in a work cycle context is in line with the intentions of the wage system. In the context of discussions under this section, the company, if requested by the shop stewards, shall produce wage statements for SAFE members and also documentation, made anonymous, of wages for the categories of positions in which SAFE has members, in such a manner that this will not contravene the Act relating to privacy protection.

4.1.1 Seniority increments

The seniority increment stages apply for service time after 1, 2, 3, 4, 5 and 6 years.

- a) By achieving an advanced position, one will achieve a corresponding wage position in the advanced wage group.
- b) Seniority increment is to be paid per 1st January following the regulations below;
 1. Employees that obtain employment between 1st January and 30th June will achieve a seniority increment 1st January the following year.
 2. Employees that obtain employment between 1st July and 31st December will achieve a seniority increment from the second time they pass New Year.

4.1.2 Seniority with regard to wages

Wage seniority is to be credited in full for experience in production, drilling and catering company offshore. At the appointment in the company other relevant experience is credited by up to 3 years. The company will consider the employee's documented experience and if and to what extent this experience is relevant. Other relevant experience is working tasks that are similar to the working tasks the employee is doing in his position. Earlier considerations shall be taken into account, so that the credit for the same work becomes as far as possible equal for the employees. The consideration shall be kept in the personnel archives. If there are disagreements locally, one must follow what is recommended centrally, or after discussion in The Permanent Position Committee.

For employees in positions requiring certificate, for which certificates may be obtained through service on ships, 4 1/2 years of service on ships, is to be included in the calculation of seniority.

The first subsection, 2nd and 3rd sentence's of this regulation is practised in such a manner that in total or separately one is not credited with more than 3 wage levels. This means that more than 1.5 years of practice is credited with one wage level, beyond 3 years with two wage levels, and beyond 4.5 years with three wage levels.

4.1.3 Seniority for substitutes

Substitutes are earning seniority according to the same regulations that apply for permanently employed. For example one year of service is calculated for one man-year (1460 hours) offshore.

4.1.4 New positions

The parties to the collective agreement may demand negotiations regarding determination of wages for positions not mentioned under section 4.1, and which naturally belong within the scope of the agreement. The determination of wages shall be decided through agreement or committee prior to individuals being employed in the position, if this is possible in practice.

4.1.5 Permanent Position Committee

It will be established a permanent Committee of one representative with a substitute representative from each of the employee's organisations that have collective

agreement with wage matrices that can include the actual position/positions, and up to three representatives with substitute representatives from NSA.

The Committee shall consider the determination of new positions. If one or several of the employee's organisations do not come to an agreement with NSA's representatives, the organisation can make use of the Committee in accordance with item 4.1.4.

To avoid companies paying employees in another position than in the position the person should have been paid according to the work the person is doing, the parties agree upon that the Committee also can discuss the content of the positions in the position matrices.

Such issues shall be intended solved locally in the company within the frames of the collective agreement and position descriptions. If the parties do not agree or one of the organisations can point out that the collective agreement not has been followed, a meeting in the Committee can be claimed. Meeting will however not be held if the company at once stop the use of the position or use a correct description according to the agreement, and this is acceptable in accordance to the position instruction.

4.2 Wage tables

The wage tables are based on a system with normal monthly wage and a system with adjusted monthly wage (12 monthly wages + vacation allowance). The parties shall agree locally which system that shall be used.

For employees comprised by the rules about seaman's deduction, the wages in the wage tables shall be reduced by NOK 4300,- per month. For employees with adjusted monthly wage, the deduction is NOK 3900,-.

Alarm compensation is included in the wage table with the rate applying prior to the wage revision in 1996.

4.2.1 Substitute work

When an employee for more than one whole day is serving in a higher placed position in the tariff area than the one he is employed in, he is entitled to payment as laid down for the higher position for the time during which he has worked in the higher position.

Employees who has their wages determined in accordance with wage table, and who temporarily function in position for which the wage is not determined here (senior position), is to be granted a remuneration of NOK 450,- per 24 hours on board during which the individual functions in the position. The remuneration is to be paid for function in such position for up to 3 months. Otherwise the regulations of the agreement apply. If there is reason to presume that the individual will function for more than 3 month in such position, wage determination shall be in accordance with determined wage for the position.

Alternatively, it can be agreed locally in the company that employees with wages set according to the wage table and who are temporarily filling the position with individual compensation, be placed in the company's individual wage system for the relevant position for the time he/she fills the position.

4.2.2 *Permanent alternating position*

Personnel who work in different positions shall be paid according to the highest placed position. If he/she will be working instead of someone regularly employed in the higher position, the provision in Item 4.2.1 shall apply. If overtime is included in the wage rates for one position, but not the other, overtime shall be calculated especially for the time worked in the position covered by the working hours regulations at the applicable overtime rates. The provision in this item does not apply if one of the positions is the OIM.

4.2.3 *Competence allowance*

The parties agree that additional competence over and above vocational training or a higher-category certificate than required for the position in question, and which the company can benefit from to achieve increased productivity and profitability, may be subject to remuneration above the rates of the pay scale.

The positions and the requirements for such additional competence shall be defined and determined by the individual employer. The shop stewards shall be given an opportunity of expressing their views before the company makes a decision.

4.2.4 *Meals and meals allowance*

Catering is free on board the units. For those who are comprised by the rules about seaman's deduction, the meals allowance during leisure period included in the annual wage with NOK 16.500,-. For mobile units where meals allowance previously has been included, this is maintained.

4.3 *Training positions*

The parties agree to enter into separate agreement with regard to training positions. Where no agreement approved by the parties exists, the wage section of the agreement applies in full during training.

5. OVERTIME

5.1 *Overtime payment*

Overtime work shall be subject to overtime pay per hour calculated on the basis of 1/146 of the rates for a normal monthly wage in the pay scale with an addition of 65%. A half-hour commenced shall be considered a full half-hour.

5.2 *Work exceeding 12 hours per 24 hours*

Work exceeding 12 hours per 24 hours is to be regarded as overtime and be compensated for by the rates in section 5.1. Overtime payment is not to be paid if the extended time is a result of use of agreed swing shift, and is compensated for by equivalent leisure time during the previous or following work period or in connection with agreed shift schedule resulting in alternating different number of hours during the periods on board. Overtime pay shall nevertheless be payable for work beyond 12 consecutive hours. This does not apply to those who are individually paid.

5.3 Remuneration in connection with too much time on board

According to section 3.2 the period on board shall represent 2/6 of total time. Time exceeding 2/6 consequently represents too much time on board and shall be remunerated by overtime payment for 12 hours per 24 hours (when 12-hour working periods are used). Overtime within the individual 24 hours is to be paid for pursuant to section 5.2, and waiting time pursuant to section 3.3.

If other work schedule than one giving 2/6 periods on board has been allotted, e.g. using the "2:3/2:4 cycle" or due to variable work schedule arrangements during the year, the relevant ratio is to be used in connection with the calculation.

The calculation shall be made for each work cycle or deviation period replacing a work cycle, provided that the parties do not locally agree on other calculation periods. The periods commence and finish at the time of travelling out (expiration of a leisure period).

5.4 Short overtime periods

Employees, who are called out to work outside regular working hours, shall receive overtime payment for at least 2 hours. This does not apply to overtime work in direct connection with regular working hours or when the employee demands a rest or meal break between the regular working hours and the overtime work.

6. INCONVENIENCE ALLOWANCES

6.1 Improvised night lodging

When night lodging must be improvised and the employee is not given bed in cabin, this is to be compensated for by an inconvenience allowance of NOK 445,- per night. The employee shall be given toilet requisites.

6.2 Safety meetings

Safety meetings that are ordered outside ordinary working hours are to be compensated for by overtime payment for the time used.

6.3 Tank cleaning and use of mask

Use of mask with fresh air supply or whole face mask in connection with sand blasting and spray painting, is to be compensated for by an hourly allowance of NOK 30,- for the actual hours being worked. Welding mask etc. does not qualify for inconvenience allowance.

Internal cleaning of tanks is to be compensated for in accordance with the above.

6.4 Shuttling

6.4.1 Travel/waiting in connection with transportation between lodging and work place

Time used for travel/waiting for transport from lodging to work place before and after a work period is not calculated as working hours.

Time used for travel/waiting as mentioned above is to be compensated for by ordinary hourly wage.

6.4.2 Travel/waiting in connection with transport between platforms

Time used for travel/waiting for transport between platforms is not calculated as working hours.

6.4.3 Travel/waiting in connection with stay in shipyard

Travel beyond ½ hour each way is compensated with ordinary hourly pay. In companies where better systems are practised, these are retained.

6.5 Oil based drilling mud

Employee working with oil based drilling mud is to be paid an allowance of NOK 104,- per 12 hours shift worked.

The amount is a compensation for work with oil based drilling mud, including compensation for extra time for personal hygiene and inconvenience in connection with use of oil based drilling mud compared with use of water based drilling mud.

The allowance is NOK 127,- per 12 hours shift worked for the positions assistant derrickman, derrickman, roughneck, mud strainer operator, drill floor mechanic and BVO.

For cleaning of mud pit a dirt and discomfort allowance of NOK 23,- per hour is to be paid for the time used.

When cuttings injection plant is in operation, the person operating the plant is compensated at the rate of NOK 123,-. There is an additional compensation of NOK 5,50 per hour for operation of the plant.

6.6 Smoke divers

Smoke divers on alert schedule are to be paid NOK 450,- per month.

6.7 Nurse in pressure chamber

Nurse who must work in pressure chamber is to be paid an additional allowance equivalent to that paid to divers for staying there.

6.8 Size of the work group

The shop stewards can – possibly through their union – demand negotiations if they find the work group too small so that it causes unreasonably heavy pressure or impacts safety. The same applies if the working conditions are changed to a significant degree.

6.9 Own cabin

The employee is entitled to his/her own cabin during the rest period, if this is feasible from a practical point of view.

6.10 Cleaning of quarantine cabin

Whoever is set to clean the quarantine cabin (defined by the OIM) shall be compensated with NOK 500 per cleaning.

6.11 Sewage System

Employees engaged in the opening of the sewer system, shall be compensated with a dirt and inconvenience allowance of NOK 30,- per hour for accrued time.

6.12 Sharing of single cabins

With reference to the agreement between NHO and LO on sharing of single cabin dated 10 of December 2012. This agreement will apply correspondingly to the scope of the collective agreement. The agreement ensures, amongst other factors, a compensation of NOK. 775, - pr. 24 hour for sharing of a single cabin, including the use of the same bed (so-called "hotbedding") in single cabins, according to. The Activities Regulations § 19 or exemption under the Framework Regulations § 70.

7. NIGHT BONUS

For night work a bonus of NOK 75,- is to be paid per hour worked during the period exceeding the daily working hours (cf. section 3.1). Bonus is not to be paid for hours paid for by overtime payment pursuant to section 5.2 (work exceeding 12 hours per 24 hours).

The bonus is a compensation for all inconveniences in connection with this form of working hour's arrangement, including time required for conferences between employees in connection with shift changes. The employee shall not leave his place of work before he is relieved and the relief has been informed about the work situation.

8. MEETINGS AND CONSULTATIONS

If the employer summons an employee during his leisure period to a meeting or consultation, this is to be compensated for by ordinary hourly wage plus 65% for the time spent, however with the minimum of 4 hours. This does not apply when the case concerns personal matters regarding the person summoned.

For imposed meetings on board beyond the necessary time for handovers between employees at shift change according to chapter 7 are not supposed to

exceed 15 minutes per shift change except in exceptional cases only, will be compensated at overtime rate for time spent. This does not apply for employees on individual wages.

9. COURSES ORDERED BY THE EMPLOYER

9.1 *Requirements regarding courses*

The employer shall at any time follow up changed requirements relating to the positions with regard to own permanent personnel. If the employee holding the position does not fulfil the requirements, the employer and the employee will in co-operation ensure that the required training is carried out.

Courses ordered will to the extent practicable be held during the employee's period on board.

9.2 *Shorter courses*

In connection with imposed courses lasting less than 24 days, held ashore during the employee's period on board, the employee maintains his current wage (excluding variable bonuses).

Such imposed courses during the employee's leisure period are to be compensated with overtime for the actual time spent on course, however at the minimum of 8 hours per day, unless otherwise agreed on company level. No vacation/leisure period is thus earned while the employee is attending a course, and after the course the employee continues in his regular rotation schedule. If the referenced course takes place during the employee's leisure period offshore, compensation will be payable for time spent in the form of overtime pay.

In cases where the course compensation is agreed upon on company level, the local parties will produce a list of relevant courses and what compensation is applicable. If a disagreement arises on whether a course is ordered or not, the question will immediately be brought before the main organisations.

Mandatory courses held with reference to OLF/NSA's guidelines for emergency- and safety training are however always compensated with overtime pay regardless of local agreements.

The practice of PC-based ordered training is to be agreed upon on company level.

9.3 *Courses of longer duration*

In connection with courses ordered of longer duration than 24 days, payment for leisure period will be in accordance with agreement between the employee and the employer.

9.4 *Home travel during courses*

In connection with courses ordered in Norway the employee is entitled to free home travel to fixed address in Norway once per week and in connection with public holidays during the course period. In connection with training or fixed address abroad travel

allowance will be in accordance with agreement between the employee and the employer.

9.5 Expenses in connection with the course

The employer pays course expenses and provides necessary teaching aids.

9.6 Compensation for board and lodging

The employer assigns hotel and pays expenses for hotel and breakfast. Accommodation shall be arranged in single room of usual hotel standard with toilet and shower/bath. The employer may instead place room or flat at the disposal of the employee. Norwegian State rates for meal allowance applies.

If the course fee includes full board, no meals allowance is paid. Neither is meal allowance paid for days off spent at home.

9.7 Temporary employees

With regards to temporary employees who have worked in the company for minimum one working year (1460 hours), the company will cover the course fee for refresher of Basic safety training and first aid training, and also doctor's fee for renewal of the Health Certificate.

9.8 Maritime personnel certificates

Fees in connection with issuing and renewing certificates according to the STCW Convention shall be covered by the company.

10. VACATION AND VACATION ALLOWANCE

10.1 The Vacation Act

For the conditions relating to this agreement the Vacation Act applies to the extent the organisations do not agree otherwise.

Agreed vacation time has been introduced with the number of days and on the assumptions applied in the central settlement between the Confederation of Norwegian Business and Industry and the Norwegian Federation of Trade Unions in 2000. The rate of vacation pay has been set at 12%.

10.2 Duration of vacation and the regular working hours

Agreed vacation shall be taken in the leisure periods during the vacation year. In connection with working out work schedule pursuant to section 3.2, it shall be taken into consideration that the employee during the year has 35 vacation days in addition to other parts of the leisure period. Even if the system of combined vacation and leisure periods should lead to a somewhat longer or shorter vacation than laid down in the Vacation Act for persons working only part of the year, neither of the parties may claim any form of extra compensation in this respect.

10.3 Vacation time

Unless otherwise agreed locally, the following shall apply: The employee shall be free of all work during the first 8 days of the first leisure period after 1 January, and the first 21 days of the first leisure period after 15 May each year.

If the employee has to continue in service into the mentioned leisure periods as a result of the conditions mentioned in the third paragraph of section 3.3, the employee concerned shall be free of all work during the first subsequent leisure period. If the employee becomes ill before the leisure periods mentioned, he shall, if he so demands prior to these period, be free of all work during the first leisure period after he is reported fit.

10.4 Vacation allowance for employees with normal monthly wage

Contrary to the ordinary arrangement of the Vacation Act, by which vacation allowance earned during the previous year is paid instead of wages during the vacation period, full regular monthly wages are to be paid for all months of the year. Wages thus paid during the 35 vacation days are considered an advance on the vacation allowance for the next year. The remaining vacation allowance (the difference between 12% and full wages during the vacation) is to be paid in May of the vacation year. Those terminating their employment during the earning year will get a possible difference paid in cash on leaving. Section 11,3, subsection 2 of the Vacation Act regarding deduction of 1.4% does not apply. Free meals on board are stipulated at NOK 596,- per month.

The parties agree on the following calculation of vacation allowance:

Earnings during the period

+ Free meals NOK 596,- per month during the period
 - 35/365 regular wage during the period (advanced vacation allowance)

= Basis for calculation of vacation allowance

12% of basis for calculation (total vacation allowance)
 - 35/365 regular wage during the period (advanced vacation allowance)

= Remaining vacation allowance

All employees are entitled to see this calculation to know the total amount of the vacation allowance, how much is advanced, and how much is to be paid in May or on termination. However, it will not be necessary to state the vacation allowance basis in the wages and deductions statements as most of the vacation allowance is received continuously during the earning year.

10.5 Vacation allowance for employees with adjusted monthly wage

Vacation allowance is payable according to the regulations of the Vacation Act.

10.6 Bonus for employees above 60 years of age

Employee above 60 years of age is given overtime pay for 33.6 hours of extra work per year, according to the rates or the individual wage in July of the earning year. The bonus is to be paid together with the remaining vacation allowance, and is also added to the formula for calculation of the vacation allowance basis.

Employee above 60 years of age is also given an additional vacation allowance of 2.3% of the basis for calculation, however in such a way that the basis in connection with calculation of this bonus shall only be 6 times the basic amount pursuant to the National Insurance.

11. PAYMENT OF WAGES

Payment of wages is to take place pursuant to agreement between the local parties. Unless otherwise agreed, overtime incurred during a month shall be paid together with regular wages as soon as possible, and at the latest by the end of the following month.

12. COMPENSATION FOR PUBLIC HOLIDAYS

Employees who are on the shelf on the following days are to be paid a compensation of NOK 1880, - per day:

New Year's Day, Maundy Thursday, Good Friday, Easter Sunday, Easter Monday, Ascension Day, Whitsunday, Whit Monday, Christmas Eve, Christmas Day, Boxing Day, New Year's Eve, 1 and 17 May. Double compensation is not to be paid even if 17 May falls on one of the other days mentioned. (Ref. also section 3.3, fifth paragraph.)

The compensation mentioned is to be regarded as an occasional bonus for the individual employee and shall not be included in the basis for calculation of sickness benefit.

13. TRAVELS

13.1 Ordinary travel route

The most rational and practical travel route from the place of residence of the individual employee to the place of departure and return is to be worked out in agreement with the individual employee. This travel route shall normally be followed. Transport expenses in this connection will be covered against receipt, unless other arrangement has been agreed, and the company shall cover the expenses mentioned as quickly as possible following presentation of receipt. In connection with necessary overnight stay according to the travel route, meals allowance is to be paid according to rates as for travels lasting more than 12 hours in the State rates for travel. Furthermore it is a precondition that the travel takes place on public transport. The duration of the journey is to be calculated from departure from home to fixed time of departure from heliport or similar, and vice versa.

Employees incurring travel expenses in excess of NOK 500,- for return travel from place of residence to heliport may obtain a travel advance equivalent to twice the price of the return journey.

Use of own car in accordance with the travel route in connection with travel from place of residence to place of departure and return is to be compensated for in accordance with the Assessment regulations in connection with tax assessment, compensation for work travels.

If the employee moves to another permanent address in Norway, this is accepted as place of residence under the agreement. In connection with move abroad, travel expenses are covered at the maximum rates, which at any time would have been used at the last place of residence in Norway.

Employees, who, at the date of employment by the company, are residents in another EEA country than Norway, have their travel expenses covered from airport nearest to place of residence. In connection with move to another country than Norway, travel expenses are covered at maximum the rates which at any time would have been used at the last place of residence for a minimum of one year in the first mentioned country. In connection with place of residence in country outside the EEA travel allowance will be in accordance with agreement between the company and the employee. This regulation shall not result in deteriorated practice in the companies.

13.2 Irregularities in connection with the journey

If changes occur in the individual employee's travel route as a result of changed helicopter departure, the employer will refund expenses according to the rates of the State for travels with regard to overnight stay, transport and meals. The individual employer shall do his utmost to ensure that the employee does not have to wait at the place of departure. If the helicopter departure to the field is postponed two hours later than the scheduled departure, the employee is entitled to a meal at a value of NOK 125,-. For every four hours of waiting in heliport in addition to this, the employee is entitled to a meal at the value of NOK 175,-. After a continuous waiting period at the place of departure of maximum 10 hours after scheduled helicopter departure, the employee should be allowed to rest in an appropriate place.

13.3 Expenses in connection with other travels

Expenses in connection with travel in the service of the employer (courses, meetings, etc.) will be refunded against receipt. Meals allowance pursuant to section 13.1.

13.4 Travel home due to illness

The provision of section 13.1 applies equally in connection with necessary travel home due to illness during the service period.

13.5 Official journeys

For official journeys ordered by the employer during the employee's leisure period a travel allowance of NOK 25,- is to be paid per hour of spent travel time.

For official journeys during the work period, no travel allowance is paid.

14. LEAVE OF ABSENCE

14.1 *General regulations*

Welfare leave is usually granted in connection with the following situations:

- a) Death/terminal phase of next of kin
- b) Documented illness in the core family
- c) Birth of own child and own adoption of child

Short welfare leaves under a) and b) shall be compensated by up to 7 days' wages (84 hours), even if the leave lasts longer due to communication issues, etc. Welfare leave under c) shall be compensated by up to 14 days' wages (168 hours) even if the leave lasts longer due to communication issues, etc. The right to time off with pay only applies to the days which fall within an offshore period. Any benefits from the national insurance scheme (such as caring / nursing money) accrue to the employer.

The parties in the individual company agree on further guidelines for practising the above regulations.

Addition to protocol

Spontaneous abortion is covered by item b) above.

14.2 *Additional practice in the individual companies*

In addition to the above are cases covered by the practice of the individual companies. Number of days with pay is granted in accordance with the practice of the individual company.

14.3 *Leave without pay*

Unpaid leave may be granted for up to one year when the employee or someone in his/her immediate family has issues which, according to a doctor's recommendation, warrant leave. The company may also, given the right circumstances, grant leave beyond one year.

14.4 *Written notification*

When granting leave of absence the individual employee shall be given written notification of conditions in connection with transfer from and to work schedule.

14.5 *Definitions*

By core family is meant spouse, cohabitant and/or children, together with foster children who the employee has daily care and control of. By next of kin is meant core family and other relatives in direct upwards or downwards line, brothers, sisters and parents-in-law. By cohabitants are meant two persons who are cohabiting with common fixed address registered in the national register.

14.6 Transport

Employer provides transport ashore as soon as possible. Expenses in connection with travel from heliport to place of residence and possible return are of no concern to the company, unless otherwise agreed.

If the welfare leave occurs at the beginning of a period on board, thus delaying departure, or at the end of a period on board in such a way that return travel during the same period is not possible, the employer shall cover travel to and from place of residence in the usual way.

15. NATIONAL DEFENCE REFRESHER TRAINING

15.1 Payment

National defence refresher training, or service ordered in the Home Guard and the Civil Defence during the employee's leisure period results in no reduction of wages.

15.2 Refund

If any days of the training mentioned in section 15.1 occur during the period on board, no deduction shall be made in the pay, but in such case the payment from the relevant institution shall go to the employer.

16. WORKING CLOTHES AND PROTECTIVE EQUIPMENT

The employer shall provide necessary working clothes (boiler suit, working shoes or equivalent, and when required, thermal suit, winter boiler suit and rainwear) and protective equipment, including personal protective equipment.

Working clothes and protective equipment handed out are the property of the company. When taking out new set of working clothes or equipment, the worn set shall be handed in.

Used protective equipment as mentioned above, shall be properly cleaned when handed out.

The operator or the company shall provide the employee with survival suit during transport from heliport to the installation, during stay on the installation and during transport from the installation to heliport.

The practical implementation of this regulation shall be agreed upon locally.

17. ILLNESS

17.1 Medical examination

On employment and during the term of employment the employee shall undergo medical examinations as directed by the employer, and in such a way that these satisfy the requirements laid down by Norwegian authorities. Documented expenses in connection with such medical examinations are to be paid by the employer.

17.2 Absence due to illness and work schedule

The rotation runs according to ordinary schedule irrespective of illness during the period when the employee should have been on board or had leisure period ashore. In connection with illness during leisure period ashore, the employee is not entitled to new leisure period. In connection with illness when the employee should have been on board, no extra work can be ordered for this reason. Neither shall the employee lose leisure period, which he would have earned without absence in connection with the illness. Employees who are on sick leave for more than 6 months may be transferred to another shift, without compensation for any loss of leisure period.

17.3 Wages during illness

Employee who is disabled due to illness or injury is entitled to full ordinary wages for the duration of the employment, however, not exceeding 12 months. The right lapses to such extent as laid down for sick pay pursuant to the National Insurance Act (at present 6 times the Basic Amount for the period following the employer period).

For citizens of other countries who are not covered by the Norwegian National Insurance, the employer covers the sick pay contribution as for Norwegian employees.

18. PREGNANT EMPLOYEES

When transfer is practicable pregnant employees have the right to transfer to other work in the company if the work or work situation may harm the foetus or the employee. Such transfer shall, if possible, also take place if the pregnancy makes the work difficult. In connection with temporary transfer to other work wages shall not be reduced.

If temporary transfer to other work has not taken place, the employee is entitled to full pay from the 28th week of the pregnancy.

Employee on pregnancy-, birth- and parental leave of absence according to the provisions of the Working Environmental Act §§ 12.2, 12.4 and 12.5 and who is entitled to parental allowance according to the provision of National Insurance Act § 14.9 are entitled to 80 % or 100 % respectively based on full ordinary wages during the period of leave of absence limited to the allowance period for parental allowance stated in the National Insurance Scheme (presently 56 and 46 weeks respectively). The right lapses to such extent as laid down for parental allowance in the National Insurance Act (at present 6 times the Basic Amount in the National Insurance Scheme). No vacation allowance is accumulated from the allowance related to this provision beyond the period of 12 weeks which is provided by the National Insurance Act. This right is under the presumption of a continuous leave of absence and does not apply when the leave of absence in total is used during leisure periods.

19. INSURANCE AND EMPLOYEES BELONGINGS

19.1 Insurance

An extended "Safety Insurance" applies, including i.a. ordinary accident insurance, insurance against occupational illness and loss of doctor's approval.

19.2 Employees' belongings

Each of the employees shall have a locker at his disposal. If it is necessary because of illness, transfer etc. to move belongings, which are locked up, safe storage place must be provided.

When belongings are lost or damaged due to accidents on board or during travel to or from service, this shall be compensated for by maximum NOK 24,000,-.

The liability for compensation may be relaxed or lifted according to fault or neglect shown by the employee.

19.3 Wages payable after death

When an employee dies, the deceased's wages will be paid to the bereaved family for 2 months.

20. RESOURCE POOL

The parties recommend establishing a substitute/resource pool consisting of permanent company employees to cover the following:

1. Substitutes in the event of illness
2. Substitutes in the event of tariff and mandatory leave
3. Personnel for short-term assignments and peaks in activity.

The parties may agree locally on deviations from the tariff agreement for employees in the substitute/resource pool (Cf. Joint statement on local substitute/resource pools.) Such agreements must be approved by the federations.

Use of temporary employees shall be kept to a minimum, as the substitute/resource pool will handle the company's normal needs.

Temporary employees who have worked a consecutive total of more than 6 months, corresponding to 730 hours, in the company shall be preferred for permanent employment if there are vacant positions for which the employee is qualified.

21. PENSION AND COMPENSATION SCHEME

(Ref. addition to the record of proceedings in section 27)

The employer will make a monthly payment to a pension fund, at an amount of NOK 110,- per employee who is non-union, a member of Industri Energi or SAFE. The amount will also be paid for non-unionised personnel in order to make the scheme as comprehensive as possible. The funds shall be paid to the following account number 3201.32.88029.

The main purpose of the fund shall be to ensure pension rights for employees between the ages of 57 and 60 who have at least 15 years of service time and who are dismissed owing to curtailment of company operations and who are not able to use the extended preference under section 2 of the agreement.

22. OLDER EMPLOYEES/EMPLOYEES WITH IMPAIRED HEALTH

SAFE and NSA agree to work both centrally and on the local level to arrange for a personnel policy that permits older employees and employees with impaired health to continue to work until they reach ordinary retirement age.

It is presumed that the parties in the individual company discuss the work situation for older employees and employees with impaired health. One should particularly take into consideration that heavy lifting shifts, overtime and travels assignments and especially dirty work might cause particularly unfortunate burdens for these employees. For this reason older employees and employees with impaired health should, to be extent possible based on a medical evaluation or their own wishes, be exempt from such work assignments.

For older employees and employees with impaired health individual agreements can be made between the individual employee and the company about work assignments, facilitated training/update within their own scope of work functions, rest periods, work from home/telecommuting, part-time work/ reduced working hours etc.

23. IMMIGRANTS

The parties agree that both centrally and locally one must work to make arrangements so those immigrants to a greater extent choose to find work within the petroleum activity. On this basis, the parties should therefore discuss locally company-related problems associated with the recruitment of immigrants, such as for instance practical arrangements and issues of attitude.

24. APPRENTICES

The parties agree that the apprentice shall be compensated equal to unskilled personnel when working overtime. Unskilled personnel on drill floor will be equal to the position of roughneck and the wages for the latter will be the basis for the calculations when the apprentice is working overtime on drill floor.

Wage conditions for apprentices

The standard model for vocational training consists of 2 years in upper secondary school plus 2 years apprenticeship in a business with 50% time for training and 50% productive work. The hourly compensation consists of a percentage of the hourly rate exclusive of all allowances for newly educated skilled workers in the company:

1	2	3	4	5	6	7	8	Half year periods
-----School-----				30	40	50	80	Percent

Apprentices who work overtime will be compensated with overtime rates according to the starting wage for OMO or Roughneck. Which basis to be used is decided by the nature of the work to be carried out.

Apprentices who are hired by the training business at the end of apprenticeship shall have the apprenticeship calculated in their company and wage seniority.

Vocational training and continuing education

In the years to come, the businesses face great challenges, particularly as regards technological development. The introduction of new technology and changes in production methods will also lead to employees being faced with new and greater competence requirements.

The parties have as a common goal that the employees shall be able to further train and achieve the necessary qualifications required to master the tasks they may face at any time. Necessary training/continuing education will play a decisive role in this regard. The parties assume that all employees are willing to undergo the required vocational training which the company regards as necessary in order to meet the increased competence requirements of the position in question.

Vocational training will be carried out in accordance with the (Norwegian) Education Act and the provisions issued at any time in pursuance of this law and the provisions of the Basic Agreement.

The parties have reached agreement on the following:

- That the company and the shop stewards will discuss the need to take on apprentices, so that provisions will be made for the necessary intake of apprentices.
- It is recommended that the local parties discuss support for relevant schemes such as financial support in connection with travel and moving expenses, as well as assessing the need for measures that increase mobility and inflow of apprentices.
- Apprentices and practice candidates shall have no financial expenses in connection with, e.g., course fees and teaching materials in the period up to their qualifying examination. The employer shall cover wages in connection with the qualifying examination and the theoretical part of the apprentices' examination. The employer is not obliged to cover wages more than once within the same discipline.
- The parties shall jointly work towards updating vocational training, so that it at all times corresponds optimally to the industry's requirements,
- The parties shall work towards ensuring that the scheme which allows for taking the qualifying examination pursuant to Article 3.5 of the Education Act (The Practice Candidate Scheme) is retained also in the future.
- The parties agree that the relevant public professional bodies should develop training schemes to update the qualifications of skilled workers, which will be required by changed work requirements, working conditions and new technology, etc.

The parties also emphasise that the companies shall arrange for "Article 20 Training" of their employees within the drilling sector, and accordingly, arrange for such training of foreign personnel unable to attend such training.

Continuing education

The companies are encouraged to consider the issue of education and training in a systematic manner, in accordance with the provisions in Chapter 12 of the Basic Agreement. The parties recommend that the local parties adapt the organisation of their work and their internal corporate agreements with a view to the requirements of new technology.

Competence

The employees have a right to have their practical competence documented individually.

25. GENERAL AGREEMENTS

Education and Development Fund	see appendix 1
Contractual Pension Scheme (AFP)	see appendix 2
Agreement regarding Severance Pay	see appendix 3
Pension	see appendix 4
Hiring employees and outsourcing of work	see appendix 5
Employees in temp agencies	see appendix 5a
Resource pool joint declaration	see appendix 6
Enclosure about vacation	

26. ADJUSTMENT REGULATION

Prior to the expiry of the first year of the agreement negotiations shall be commenced between the NSA and SAFE regarding possible wage adjustments for the second year of the agreement. The parties agree that negotiations shall be held on the basis of the economic situation at the time of negotiation and the prospects for the second year of the agreement as well as the price and wage development during the first year of the agreement. The Executive Committee of SAFE and the Board of Directors of the NSA shall take a stand on amendments to the wage agreements for the second year of the agreement. If the parties fail to reach an agreement, the organisation which has presented a demand may, within 14 – fourteen – days of the termination of negotiations terminate the agreement by giving 14 – fourteen – days' notice, but not to expire before June 1st 2015.

27. ADDITIONS TO PROTOCOL

The parties have entered the following additions to protocol to the agreement:

Addition to protocol regarding equal status of men and women

The parties agree, both centrally and locally, to continue to work to prepare conditions so that men and women are given equal opportunities. The company shall, in its personnel policy attend to the equal status perspective in connection with appointments, wages, promotions and competence creating further education.

During the period of the agreement the local parties should discuss conditions regarding equal status and equal pay. The objective of such discussions is that all employees - irrespective of sex - be given the same opportunities for work and

vocational development, and be regarded as equals with regard to appointment, wages, training and promotion.

In connection with any preparation of an equal status agreement and as a basis for equal status work in the companies, NSA and SAFE would like i.a. to point out that:

- Equal status is the responsibility of the management.
- Equal status also applies to attitudes and norms and requires strong co-operation from both shop stewards and management.
- The equal status work should be discussed and followed up in established co-operation fora in the company.

Addition to protocol regarding a new model and new positions for the deck and drilling section

The parties agree that a new model and new positions may be introduced for the deck and drilling section. The new positions are Drilling and Maintenance Operator (DMO) covering the functions of the Derrickman, Derrickman Assistant and Roughneck, and Operation and Maintenance Operator (OMO) covering the functions of the Rigger and Rigger Assistant.

Joint declaration on individual remuneration:

The parties agree that the present wording of the agreement, concerning the stipulation of wages for those receiving individual remuneration, adequately covers the parties' intentions, but that this has not always been satisfactorily followed up by all companies concerned.

Where the parties find that there is dissatisfaction in a company with the stipulation of wages for those receiving individual remuneration, the company shall ensure that all individually remunerated persons who so wish are given a personal interview with a superior about the criteria referred to in the agreement, which are skill, experience, training, service time and areas of work and responsibility, and the manner in which these have been assessed in relation to the person concerned. If an individual is of the opinion that there is any unreasonableness, which forms the basis for new assessment and possibly adjustment of the wage, the shop steward may demand that the case be submitted to the management of the company.

Wage conditions in the company refer to the general wage conditions of the other offshore employees, both individually and non-individually remunerated. Other conditions refer to the company's own situation, market prospects and the general development in society. The term skill covers both technical skill and the ability to organise one's own work and to co-operate and do teamwork. Experience means experience in the company or from elsewhere relevant to the position in question. Training includes only that which is of significance to the performance of work in the position in question. Service time includes the total time of employment in the company in question, as any service in other companies will be included in the experience, where relevant. The areas of work and responsibility include both the

physical and the mental workload, and the area of responsibility with regard to health, the environment and safety and the number of employees.

The company shall, before the annual wage adjustment for individually compensated employees, discuss the principles intended to form the basis for the adjustment with the employee or group representative.

Before the company sets the annual wage regulation, there shall be real discussions between the company and the employee representatives. There shall be drawn a protocol from the discussions.

The discussions will be supplemental to the central settlement and must also take place if the companies do not initially want to make adjustments beyond what has been decided centrally.

The employee representatives shall be entitled to check that the wage level for personnel in wage group 0-2, in the context of the work cycle, is in line with the intentions of the wage system. In the event of discussions pursuant to this paragraph, the company shall, if the employee representatives so request, present payslips for the federation's own members (SAFE, DSO and Industri Energi – will be include separately in the respective collective agreements), as well as anonymised wage documentation for the position groups in which SAFE, DSO and Industri Energi have members, but in a manner which does not conflict with the Personal Data Act.

According to the Data Inspectorate is not against the law to release personal information to the union regarding the union's own members. As concerning unorganized workers and workers organized in other unions the information should be anonymous. Information that cannot be traced back to individuals is basically unproblematic. With groups / job categories of less than five employees it will be difficult to ensure anonymity and the Personal Data Act fully applies. The Data Inspectorate has stated that privacy concerns can be addressed within the law by the representatives signing a confidentiality statement which says that the information given is only to be used for the agreed tariff purposes. By issuing such a declaration of confidentiality the employer may disclose salary information even though the number of positions within a category makes it possible to trace the information back to individuals.

It will be normal in the wage settlements to agree that the individually remunerated persons in the individual companies shall be ensured a wage increase percentage equal to that of employees receiving the standard wage. One example may be to agree an average increase for the individually remunerated of 3 %, but so arranged that all workers will be ensured an increase of at least 1.5 %. The companies will normally be permitted to exceed the guaranteed percentage.

To the protocol 2008:

When determining the individual remuneration one should locally take night work into account.

Committee – Joint statement on individually compensated employees

The parties agree that a committee will be established which will review all matters in connection with individual compensation during the tariff period.

Addition to record of proceedings of 2002, concerning pension fund

Industry Energy and SAFE establish a pension fund. The employer shall make a monthly payment to the fund of NOK 110,- per employee non-union, a member of Industri Energi or SAFE. The amount will also be paid for non-unionised personnel in order to make the scheme as comprehensive as possible.

The main purpose of the fund shall be to ensure pension rights for employees between the ages of 57 and 60 who have at least 15 years of service time and who are dismissed owing to curtailment of company operations and who are not able to use the extended preference under section 2 of the agreement.

Industry Energy, SAFE and any other associated organisations invited to participate will prepare statutes for the fund and ensure its management.

28. ENTRY INTO FORCE - DURATION

The agreement applies from 1st June 2014 until 31st May 2016 and thereafter for 1 year at a time unless one of the parties terminates the agreement with 2 - two - months notice in writing.

Appendix I Education and Development Fund**AGREEMENT**

of 26 September 1974

with amendments of 14 May 1976, 28 September 1978,
26 May 1982, 14 June 1990, 7 July 1992 and 5 July 2000

regarding

EDUCATION AND DEVELOPMENT FUND**Article 1 PURPOSE**

The purpose of the agreement is to carry out or support measures for the advancement of education and training within the areas covered by the parties to the agreement.

Article 2 MEANS

The education and training measures, including courses and school activities, shall i.a. aim at the following:

1. training of SAFE shop stewards, contact persons and representatives with special emphasis on rationalisation, safety work, productivity, economy and co-operation,
2. training of leaders and employees within the same fields as mentioned in section 1,
3. preparation, organisation and development of training activities,
4. promote healthy and proper rationalisation to increase productivity.

Article 3 FINANCING

The funds shall be raised by charging a premium of NOK 18.00 per month to the employees who follow the agreements between SAFE and NSA and NOK 94.00 per month to the employer for the corresponding number of employees. 15 days or more shall equal one month, shorter periods shall not count. Of these funds, NOK 49.00 shall go to SAFE in advance, while the rest is split between SAFE and NR.

Article 4 COLLECTIONS OF PREMIUM ETC.

1. The premiums are debited in connection with the monthly payment of wages. The basis for the distribution of the premium between the relevant trade unions is the number of employees who as per each monthly date of payment of wages have their wages and working conditions regulated by the organisation's agreement.
2. The premiums shall be paid at least every second month to the following addresses:

SAFE`s share to be paid to:

Account no.: 3201.09.86396
 Sammenslutningen av Arbeidstakere i Energisektoren
 Postboks 145
 4001 STAVANGER
 Norway

NSA's share to be paid to:

Account no.: 7001.06.26445
 The Norwegian Shipowners' Association
 Rådhusgt. 25 - P.O.Box 1452 Vika
 0116 Oslo
 Norway

Note:

The parties agree that on joining a trade union the employee shall transfer to the trade union's collective agreement if it does not already apply to him. For practical reasons the parties agree that such transfers be collected within the individual company, and collective agreement changed every 6 months for the employees with new memberships. The date of transfer to other agreement and the practical implementation are to be agreed in the individual company.

The payments shall contain information as to the name of the company and the vessel, number of persons from whom premium has been deducted during the deduction period.

Article 5 APPLICATION OF THE FUNDS

1. In relation to each other each of the parties makes use of its share of the funds within the framework of the objectives laid down in sections 1 and 2.
2. The parties shall keep each other mutually informed as to the plans they have for the application of the funds and what actions have been taken.

Article 6 DURATION

This agreement follows the ordinary collective agreement period with the same rules for termination as in the collective agreement, and with the possibility of revision in connection with the wage settlement.

Appendix 2 The Contractual Pension Scheme (AFP)

Applies for employees on permanent placed facilities.

Not translated. See official agreement in Norwegian.

For further information, see the LO/NHO Schemes' official website: www.lo-nho-ordningene.no

Appendix 3 Severance Pay

Applies for employees on permanent placed facilities.

Not translated, see official agreement in Norwegian.

For further information, see the LO/NHO Schemes' official website: www.lo-nho-ordningene.no

Appendix 4 Pension

PENSION

The parties agree that employees' pension conditions are to be improved. As the agreement applies to employees of different pensionable ages and belonging to different pension schemes, efforts must be made to find solutions which will provide roughly the same benefits for all groups.

The Norwegian Shipowners' Association supplementary pension scheme (NSASP scheme)

A supplementary pension scheme applies from 1 January 1994 to employees between 60 and 67 years of age on board the mobile units. The annual retirement pension will, with the pension from the Pension Insurance for Seamen, represent approximately 60 % of the final wages after 30 years of membership of the scheme. Supplementary pension entitlement will not affect the seaman's right to work after the age of 60.

The Norwegian Shipowners' Association service pension scheme

The parties agree to implement a service pension scheme applicable to members from the age of 67. The scheme will consist of retirement pension and disability pension and will represent 60 % of standard pay, subject to a contribution time of 30 years for a full pension. A new pension scheme will become effective on 1 July 1999.

Employees on fixed installations

Employees on fixed installations shall have the right to retire at the age of 62, and be entitled to contractual pension (AFP) calculated in accordance with the ordinary rules for this scheme. For these employees an affiliation with the schemes of the Norwegian Federation of Trade Unions (LO)/Confederation of Norwegian Business and Industry (NHO) will be sought with regard to contractual pensions (AFP) and termination grants.

2004 addition

The parties agree that persons employed under this agreement as of 1 June 2004, and who are above 50 years of age on 1 June 2004, shall be guaranteed a supplementary benefit in addition to the contractual pension (AFP) or the seamen's pension and supplementary pension, to the effect that an employee retiring at the age of 60 shall have a total benefit at least equivalent to the contractual pension (AFP) with an addition of 1 G, subject to an upper limit of 66 % of the standard pay. The scheme is to be guaranteed through an insurance company. The scheme will also apply to new employees in the same age group as those who are covered by this scheme.

In order to qualify for rights under this scheme the employee must, at the time of claiming his/her pension, be employed as an actual employee under this agreement, and must also:

1. be above 60 years of age, and
2. have been employed by the company for the past three years or have five years of prior service under this agreement at the time of retiring.

Employees under this scheme who resign from the company may not:

1. enter into salaried employment in a competing offshore enterprise after resignation,
2. receive wages of more than 2G after resignation.

Note:

The right to this scheme also applies to persons who have been dismissed and who are entitled to re-employment and who are reinstated during the validity period of the re-employment right, provided that the conditions referred to above are met.

The main rule is that employees must be engaged in their ordinary service at the time of retiring. An employee who is forced to leave owing to illness is nevertheless regarded as an employee of the company in the entire sickness benefit period – maximum 52 weeks.

Pensions committee

The parties agree to form a joint committee to examine the NSASP scheme and seamen's pension and, if relevant, propose modifications thereto. The examination shall be made in relation to the pension schemes which come under the pension schemes provisions of the Taxation Act.

The joint committee shall terminate its work by 1 December 2004, and any modifications agreed by the parties shall as a main rule be made applicable from 1 June 2004.

From the minutes 2012

Due to the introduction of the new AFP (contractual pension)/National Insurance model and the uncertainty associated with future seamen's pension, the parties agree to extend the mandate of the contractual pension committee, cf. Annex 4 to the Collective Agreement and the Office of the National Mediator's ledger for the 2009 settlement, Item 2 Pension. Claims in this connection can be raised during the regulation negotiations for the 2nd agreement year (2013) with an option for notifying a collective work stoppage.

Pension schemes for foreign employees

The parties are in agreement on the principle that the companies' total average pension contributions shall be the same for foreign employees as for Norwegian employees.

The parties are in agreement on the following:

The total pension expenditure for foreign employees in the period of validity of the current collective agreement shall represent 9 % of the standard pay for the individual employees. The percentage is based on the assumed average cost of Norwegian employees, which at present includes the contribution to the seamen's pension, supplementary pension, "the 62 years scheme" and service pension.

The shop stewards in the company shall take part in talks about the company's pension contributions and placements in this connection. The parties note that this may give rise to highly complex matters, both legally and financially, and recommend that the companies use advisors in this process.

The parties are in agreement that the stipulated percentage shall cover all company expenditure in establishing and maintaining pension schemes for foreign employees, including costs of establishment, operating costs and any taxation liability or failure to make deductions on the part of the company, as seen in relation to the Norwegian schemes.

Note

The pension rates for foreign employees, which currently amount to 9% of scale pay shall be regulated to 15% as of 1 June 2012. The company shall, upon request from the employee representatives, be able to document this. The rate shall be adjusted in connection with the establishment of new, future seamen's pension and other pension schemes within the collective agreement, so that the new percentage rate reflects the actual average cost for the overall solutions. This work shall be carried out by the established pension committee.

Appendix 5 Hiring employees and outsourcing of work, etc.

Hiring employees and outsourcing of work, etc.

The parties are in agreement that it is important to work towards the industry being an attractive and serious place of work, and that hired employees and employees employed by subcontractors have appropriate pay and working conditions. The parties wish to prevent "social dumping" and to ensure that the challenges involved in an international market and free movement in the labour market and the service market are handled in an appropriate manner, and in accordance with the Norwegian legislation and framework of agreements, as well as international regulations.

1. Hiring employees

As early as possible, and before the company enters an agreement to hire employees in accordance with the applicable rules in Chapter 14 (see Section 14-12 and 14-13) of the (Norwegian) Working Environment Act, the extent and need shall be discussed with the employee representatives, cf. Chapter V, Item 5.5 (Industry Energy, DSO), and Chapter V, Section 6, (SAFE) respectively of the Basic agreements.

1.2 Agreement regarding contractors and contract labour

In order to prepare for fluctuations in production and counteract lawful termination of employment and lay-offs, the organisations recommend that companies agree guidelines for contract labour among the companies. This assumes that the contract labour is in accordance with Section 14-13 of the Working Environment Act, as well as other laws and agreements. Such agreements shall be made concordance with the employee representatives.

In connection with such contract labour, the company shall, on request from the employee representatives, document the pay and working conditions that apply for the company when contracted employees shall work under Section 1: Scope of the Agreement for Mobile Offshore Units.

1.3 Hiring employees from staffing/temp agencies

1.3.1:

If employees are hired from a staffing/temp agency, Section 14-12 of the Working Environment Act (AML) shall apply.

1.3.2

Employees in staffing/temp agencies shall, for the duration of the contract, have the same wage and working conditions which apply in the contracting company pursuant to Section 14-12a of AML, (proposed in Prop 74L (Proposition to the Storting (bill))).

The provision entails that pension is not covered by the equal treatment principle. If the staffing/temp agency is not bound by a collective agreement between LO and an employer federation, joint annexes 1, 2, 3 and 4 in the Rig Agreement shall not apply, as well as Chapter 14 of the Basic Agreement concerning union dues.

1.3.3

The contracting company is obliged to provide the staffing/temp agency with the information necessary to satisfy the equal treatment condition which follows from Item 1.3.2, as well as hold the staffing/temp agency to this condition.

Upon request from the employee representatives, the company shall document wage and working conditions which apply to the staffing/temp agency when contracted employees are to work within the scope of the collective agreement.

1.3.4

Chapter 4 of the Basic Agreement also applies in relation to contracted employees, with the following exception: If the contracting company is bound by the Basic Agreement between SAFE and NR and IE/LO and NR, disputes concerning the contracted employee's wage and working conditions are matters between the parties in the contracting company. Employee representatives and a representative from the contracting company may, upon request, assist in the negotiations with information on the agreements in the contracting company.

If the staffing/temp agency is not bound by the Basic Agreement between SAFE and NR and IE/LO and NR, employee representatives in the contracting company may discuss allegations of breach of the equal treatment principle in Item 1.3.2 with the contracting company, so that the contracting company can clarify and potentially remedy the matter.

Contracted employees shall be introduced to employee representatives in the contracting company. The local parties shall, while discussing contracting, also discuss resources for employee representative work, cf. HA IE/NR Item 4.17, HA SAFE/NR 4.6.

Comment:

Items 1.3.2, 1.3.3 and 1.3.4 shall be implemented at the same time as the amendments to the Act enter into force, cf. Prop 74L (2011-2012).

1.4

The company shall, before temporary hires are agreed and implemented, ensure that the temporary employment company operates in accordance with Norwegian statutes and regulations

2. Outsourcing work and subcontractor schemes

As early as possible, and before the company enters an agreement with subcontractors regarding outsourcing of work, the need and extent shall be discussed with the shop stewards, cf. Chapter V, item 5.5 (Industry Energy, DSO) and chapter V, Paragraph 6 (SAFE), respectively, of the Basic Agreements.

The company is responsible for ensuring that the subcontractor with which the company enters into an agreement, has an employment agreement with its employees in accordance with the regulation for contracted employees (Section 2, 2005-12-16-1566). If the subcontractor with whom the company has entered into an agreement uses subcontractors, the subcontractor(s) must assume equivalent obligations in relation to its/their employees.

The company shall, on request from the shop stewards, document the pay and working conditions that apply at the subcontractor's when the subcontractor's employees work under Section 1: Scope of the Agreement for Mobile Offshore Units.

3. Protection of privacy and obligation of confidentiality

It is assumed that the information which the companies are asked to provide and document on pay and working conditions are adequately anonymised and do not violate the law. The company's requirements as regards for instance questions of competition may entail that the information should not be passed on. In such cases the employer may impose an obligation of confidentiality on employee representatives and any advisors. The obligation of confidentiality also applies after the end of the term of office of the person. There is no obligation of confidentiality in connection with passing on information to the appropriate public authority.

4. Use of substitutes

Substitutes, cf. Section 14-9, 1b, of the Working Environment Act, substitute given persons, stated by name, for a specific job or period of time.

5. Other matters

For companies that lawfully terminate employment or lay off employees, or are in a position in which they may have to lawfully terminate employment or lay off employees, particular reference is made to the rules regarding lawful termination of employment and laying off in Chapter VII (Industry Energy and DSO) of the Basic Agreement, and Chapter VIII, item 8 (SAFE) of the Basic Agreement and Item 6.4 (Industry Energy and DSO) of the Basic Agreement, and Chapter VIII item 6 (SAFE) of the Basic Agreement and Chapter 15 of the Working Environment Act.

Annex 5A: Employees in temp agencies

The provisions in this annex regulate matters in relation to staffing/temp agencies which are covered by this collective agreement, cf. Item 1, 4th paragraph of the Collective Agreement.

1. This collective agreement can be used as a tariff agreement in staffing/temp agencies which have employees who are hired out on contracts, and who carry out work under the scope of this collective agreement.
2. Employees shall have a written contract pursuant to the provisions of the Working Environment Act.
3. A written assignment agreement, containing all relevant information about the nature, content and duration of the assignment, shall be issued for all assignments.
4. Resignation and dismissal shall apply pursuant to the provisions of the Working Environment Act.
5. If an employee is offered employment with the contracting company, he/she may resign after the end of the term of notice, unless the parties agree otherwise. During the term of notice, the employee is entitled to continue working for the contracting company if the assignment is still in progress.
6. In the event of contracting to companies which are bound by this collective agreement, the wage and working conditions in the contracting company shall apply, cf. Item 1.3.2 in Annex 5.
7. In the event of contracting to companies which are not bound by this collective agreement, the wage and working conditions agreed in the contracting company shall apply insofar as they do not conflict with the equal treatment requirement in the Working Environment Act.
8. The duty to pay employees runs according to the employee's contract. In the event of lay-offs or when the employment relationship ends, the Working Environment Act and Basic Agreement apply.

Enclosure about Vacation

Agreement

between

the Norwegian Federation of Trade Unions (LO) and the Norwegian Confederation of Business and Industry (NHO)

concerning

VACATION

Introduction

It is a main task of the parties to improve the competitiveness of the companies. An increase in leisure time can therefore only be made on the clear assumption that the companies have the possibility of demanding more flexibility to offset the disadvantages to competition that such an increase entails. Employees will, on their part, also have various needs for divergent working hour arrangements according to different phases of life, changing working and living conditions etc. More flexibility, along with the fifth vacation week, may contribute to less absence due to sickness, and improved productivity.

A. Flexibility

The following provisions are incorporated in all agreements:

- a) "Where the parties are in agreement locally, arrangements exceeding the agreement's provisions for working hours and compensation, and adapted to the individual company, may be implemented as a pilot scheme. Such arrangements shall be submitted to the federation and confederation for approval."
- b) "It is permitted to calculate average working hours in accordance with the provisions of section 10-5 of the Working Environment Act. The parties to the collective wage agreement may contribute to the establishment of such agreements."
- c) "There may exist individual needs for divergent working hour arrangements, individual wishes for leisure time etc. Such arrangements shall be agreed with the individual employee or the shop stewards, for instance in the form of calculated average working hours or an hour-account arrangement. Agreements concluded with the shop stewards take precedence over individual agreements."

B. Contractual vacation

1. The implementation of extended vacation time, i.e. 5 working days, cf. § 15 of the Holiday Act, is advanced by introducing the remaining part as a contractual arrangement, and is included as an appendix in all agreements.

Extra vacation for employees above the age of 60, i.e. 6 working days, is maintained, cf. § 5 subsections 1 and 2 of the Holiday Act.

An employee may claim 5 working days of vacation every calendar year, cf. § 5 subsection 4 of the Holiday Act. If the contractual vacation is divided up, the employee may only claim the same number of vacation days as he/she is normally required to work per week.

If the authorities decide to implement the remaining part of the fifth vacation week, these days shall then be deducted from the contractual arrangement.

2. The remaining part of the fifth vacation week is to be gradually introduced in such a manner that 2 vacation days may be claimed in 2001, and the rest in 2002.

Vacation pay is calculated in accordance with § 10 of the Holiday Act.

When the fifth vacation week has been fully introduced, the general percentage of vacation pay shall be 12 % of the basis for vacation pay, cf. § 10 subsections 2 and 3 of the Holiday Act.

The increase is to be made by modifying the percentage for the qualifying year thus:

2000 is set at 11.1

2001 is set at 12.0

If the authorities decide to increase the number of vacation days laid down in the Holiday Act, the parties assume that the above figures shall serve as basis for vacation compensation for the corresponding period.

3. The employer shall decide the time of the contractual vacation, following discussions with the shop stewards or the individual employee, at the same time as the regular vacation is decided.

An employee may demand to be informed of the decision regarding the contractual part of the vacation as early as possible, and no later than two months prior to taking the vacation, unless special reasons exist to prevent this.

4. An employee may demand to have vacation time under this provision, irrespective of having qualified for vacation pay or not.

If operations are suspended, wholly or partly, in connection with vacations, all employees affected by such suspension may be required to take a vacation of the same duration, irrespective of having qualified for vacation pay or not.

5. An employee may demand that the contractual part of the vacation be given in its entirety within the vacation year, cf. § 7 subsection 2 of the Holiday Act, so that 1 week of continuous vacation is obtained. The central organisations encourage the parties to slot the contractual vacation so as to ensure the required productivity to the greatest possible extent, for instance in connection with Ascension Day, Easter, Christmas and the New Year holidays.
6. The contractual vacation may, by written agreement between the company and the individual employee, be transferred, wholly or partly, to the following vacation year.
7. For shift workers the contractual vacation shall be adjusted locally, so as to represent 4 shifts worked, when fully implemented.

Notes:

1. In agreements by which vacation under § 15 of the Holiday Act has already been introduced, the number of days shall not be increased as a consequence of the introduction of the contractual vacation. The introduction and the actual implementation of the contractual vacation for the relevant areas shall be agreed in more detail by the parties.
2. For the shelf agreements (no. 129, no. 125 and no. 123) the vacation involves a reduction of 7.5 hours per vacation day. The parties agree that the vacation shall be taken in the off-duty period during the vacation year.

Appendix 7 Resource pool joint declaration

Joint declaration on local temporary manpower and resource pool agreements

1.1 Foundation

In their respective agreements, the parties have recommended that a temporary manpower/resource pool of permanent employees be set up to cover normal absences (Section 20 of the Agreement). The parties agree that the employees working in such a pool can also be used to cover peak activities or in other temporary situations that call for extra manning.

Section 20 of the Agreement entitle the local parties to prepare local agreements for employees who serve in a pool where provisions apply that may differ from the provisions of the agreement. Furthermore, it is stated that such agreements must be presented to the applicable unions for their approval.

1.2 Approval

The central parties are agreed that this Joint Declaration shall provide the foundation for the preparation of local pool agreements. Furthermore, the parties agree that the local agreement enters into force from the date of signature, if the respective organisations have approved the agreement within a one-month deadline. To avoid unnecessary delays and uncertainties in connection with the approval of the agreements, the parties agree that the company will, as soon as possible, submit agreements that have been entered into to the Norwegian Shipowners' Association, who will forward the agreements to the relevant unions for their approval.

1.3 Terms of agreement

The central unions expect that in companies where two or more unions have local representatives, an identical agreement will be entered into with the local representatives from each union.

An approved agreement is binding for the local parties until it is terminated in writing. It is a condition that negotiations have been conducted prior to termination of the agreement, alternatively that negotiations have been demanded, but have not been entered into within a fortnight.

If the local parties fail to agree on a new agreement or the revised agreement is not approved by the central organisations, the existing pool agreement may be terminated with a notice period of minimum four months. The agreement will lapse after the expiry of the termination period, and the conditions contained by the agreement will be settled based on the provisions of the respective collective wage agreements.

2 Establishment of a temporary manpower/resource pool

Following Item 1.1 the parties underline that it would be practical to uphold a stable source of offshore personnel that can be called upon to step in as substitutes when permanent employees among the regular offshore crews are ill, on leave or away on courses etc. Employees who serve in the pool may also be used to cover activity peaks or in other temporary situations that require extra manning.

The size and composition of the resource pool is determined by each company following discussions with the relevant union representatives. When determining the size of this pool, the size and composition of the total manning must be taken into account, along with factors such as number of contracts, absences due to illness, planned extra work, etc., as well as the expected development related to these issues.

The pool agreements may stipulate that employees can be hired out to other companies, in certain further specified instances. If so, more specific rules must be laid down for regular discussions etc. in accordance with Ch. 5 of the Basic Agreement and the present Agreement's Appendix 5. The case of where the pool agreement does not contain any such provisions for hiring out, the parties must obtain the approval of the central organisations in line with Item 1.

The parties underline that the size of the pool should be discussed with the local union representatives of the relevant federations at least twice a year.

Any local agreement concerning the size of the pool will not in any way jeopardise the right of temporary employees to demand to be employed on a permanent basis in accordance with the Working Environment Act.

The parties agree that the establishment of a local temporary manpower/resource pool and the formation of pool agreements do not deprive the company of the right to use temporary employment contracts in situations where this is permitted by the Working Environment Act, but they underline that the company must not hire personnel on a temporary basis for serving in such a pool, and that temporary employees cannot therefore be covered under the provisions of the pool agreement.

3.1 Employment of staff to serve in a pool

All hiring done by the company must take place in the form of a written contract, in accordance with Item 2 of the agreement. Employees serving in a pool are permanent employees of the company (cf. Item 2 above) with the same terms and conditions as the rest of the company employees, with any deviations that might appear in the approved pool agreements. It is a pre-condition that employees who serve in a pool are not used permanently in permanent positions onboard the facilities.

As a consequence of the basis for setting up a temporary manpower/resource pool, deviations from the respective agreements may concern the right to a fixed workplace and the right to a fixed work schedule.

Employees who serve in the resource pool shall earn seniority relating to wages and company employment just like the other employees. Employees without an employment contract in writing will not be comprised by a pool agreement, and any deviations from an agreement that are not stipulated in the pool agreements will not cover such employees.

Employees who serve in a permanent position may be transferred to the resource pool in connection with major re-organisations, workforce reductions, etc. upon agreement with the local unions.

When recruiting for the resource pool, personnel who have to some extent been used as substitutes or similar on a temporary contract shall be considered for employment.

3.2 *Transfer from pool to position with fixed work schedule*

When a position with a fixed work schedule offshore arises in the company, such position shall be offered to qualified employees in the same position with the longest seniority in the company who serve in the temporary manpower/resource pool. In case of vacant positions at a higher level, employees working in the pool shall be assessed on a same footing as the other candidates.

4. *Wage conditions*

A regular monthly wage shall be paid to the employees serving in the resource pool, in accordance with the applicable collective wage agreement. Employees serving in the resource pool shall be employed in the position that represents the main part of the work this person performs.

Variable supplements, inconvenience compensation, and all other types of compensation (not settled by the hour in the local agreement) in excess of the fixed monthly salary, are to be paid based on the approved time lists.

5. *Working hours and settlement*

For offshore workers the man-year counts 1460 hours. In the individual company the respective pool agreements may stipulate an annual man-year of 1582 hours if the manning needs so dictate, and it is justifiable resource-wise. When using man-years of 1582 hours, the regular monthly tariff wage and hourly rates of pay shall be adjusted upwards by 7%, cf. protocol from the 2006 wage settlement.

5.1 *Annual settlement*

Settlement against man-years shall be performed at least once in the calendar year, at a date stipulated by the pool agreement. Hours settled with compensation for waiting time or overtime pay (e.g. compensation for work and mandatory courses during periods off work, work beyond 12 hours per day and compensation for prolonged tour offshore) are not counted as part of the man-year.

- 1) Not enough hours worked inside the annual settlement period shall be deleted.
- 2) Hours worked in excess of the man-year shall be compensated for through overtime pay in the annual settlement
- 3) Local pool agreements may incorporate provisions on time off in lieu of extra hours worked, and working to make up for minus hours. In all events, the timing for taking time off in lieu of extra hours worked, and any additional working to make up for minus hours must be agreed in writing with the employee in question. The local agreement may not stipulate a work-in of more than 84 minus hours, and such additional make-up work must take place within a period of maximum 12 weeks following the date of settlement.

5.2 *Part settlements*

The local parties to the pool agreement may stipulate that there shall be two or more settlement periods per year. In such cases, it can be decided that at the intervening settlement(s) of the agreement, such overtime hours or insufficient no. of hours worked, can be transferred to the following period(s) within the same annual man-year settlement period.

In periods when the employee is not available for work for the resource pool on account of absence due to illness, leave, military service, lay-offs, etc., this shall be recorded as 4 hours in the man-year (in case of a man-year of 1460 hours) or as 4,33 hours (in case of a 1582-hour man-year) per day.

The same method of calculation is used to work out the pro rata man-year for personnel who is transferred to the pool upon agreement (cf. Item 3 above), or who for other reasons are not available for work at the pool in one settlement period. This method of calculation is also employed for periods when employees serving in a pool are given a fixed work schedule/shift plan.

Mandatory courses onshore are compensated for by 8 hours overtime pay for each day of the course, or settled against the man-year at a count of 12 hours per course day, depending on the provisions in the local pool agreement. Where an availability plan has been agreed, mandatory courses in the free periods shall be compensated for with overtime pay for 8 hours.

When employees are transferred from the pool to a permanent position on an installation, there must be a settlement from the pool towards the man-year as stipulated in, or pursuant to 5.1 above, from the day of the first trip out, for a full rota period in accordance with the new workplan. For personnel who serve in a temporary manpower/resource pool where the employment is terminated, this settlement from the pool will be conducted at the end of the notice period, unless otherwise agreed. Where possible, insufficient hours are sought worked in during the notice period.

6. Flexibility

Working for the resource pool requires that the employee is to be prepared to be flexible about work inside the man-year/periods in which he/she is available.

The parties underline the importance predictability has for the employees. One solution might be that personnel who are employed in the resource pools are offered plans of availability, showing at what times the employee should be at the employer's disposal, and when he/she should be off. Such plans should make sure that the employee has at least one third of the total time off, and the available periods should not exceed six weeks. The parties understand that in some local companies it would be an advantage to agree on alternative methods of ensuring predictability for the employees serving in a temporary manpower/resource pool.

It is a condition that the companies respect the 1/3 rule, as expressed in the offshore regulations. It is a further condition that the local agreements incorporate provisions on call-out time and clarification of the availability requirements. However, the parties emphasise that such provisions and clarifications must not be such that they can be understood to mean that the employees are on a home duty scheme.