

## **Procedure for revising OLF model contracts – follow-up in the OLF Administration**

*Procedure adopted by the OLF Board, 18 January 2007*

### **1. Background**

OLF has established model contracts for drilling and well services and subsea operations.

The model contracts are recommendations and are not binding for OLF's member companies. However, the intention behind establishing OLF model contracts is that use of such model contracts will simplify the procurement process and contract administration for both operators and suppliers. The model contract also provides an opportunity for effective training in these complex contract forms for both parties.

The purpose of this memorandum is to outline procedures for how OLF is to follow up and implement revisions of OLF's model contracts.

For the purpose of this document, "users" shall mean operator(s) and key suppliers that use (or are subject to use of) the model contract.

"Parties" shall mean operator(s) on the one side, and suppliers on the other side, who are users of the model contract.

### **2. Clarify the need for revisions**

The following procedures apply for clarification of the need for revisions:

- Every two years, OLF will invite the users of the respective model contracts to a meeting for the purpose of reviewing experience gained with the contract and any potential need for updates.

### **3. Implementing revisions**

The parties are responsible for changing the content of the model contracts through a process of negotiation. OLF's Administration shall facilitate implementation of the revision process when the parties have determined that a revision is needed:

The revision process will be adapted to the scope of the revision and will be implemented in consultation with the parties.

The following will be invited to participate in the revision process:

- Users of the model contract - operators and key suppliers (participants in establishing the agreement and other key users)
- Operators who intend to use the agreement

Persons designated as the companies' representatives in negotiations should occupy a key legal or contract-related position in the company.

If the parties agree on an amendment of the model contract, the contract shall be updated and the most recent revision will be published on OLF's website.

#### **4. Basis in OLF's committees and administration**

In the event of revisions:

- The Legal Committee must be informed that revision work will be initiated (Operators who plan to use the agreement will be given an opportunity to participate)
- The OLF Operations Committee" must be informed, and the Working Committee for Suppliers (AU-L) must be kept up-to-date regarding the process
- Information regarding the final result must be presented to the OLF Operations Committee"

OLF's Administration will designate a person/position to be the contact point and responsible for the Administration's follow-up of these procedures.

#### **5. Training**

The parties are responsible for training their own organizations in the use of the contract. To stimulate interest in and understanding of the model contracts, OLF organizes an annual seminar in which topics of general interest for all model contracts are discussed and illuminated by highly qualified speakers. The Scandinavian Institute for Maritime Law may cooperate in the implementation of these seminars. The seminar should be based on a dialogue format, and the number of participants must therefore be limited. Users of the model contracts have priority.