



MINISTRY OF NATURAL RESOURCES | KURDISTAN REGIONAL GOVERNMENT  
حکومه‌تی هه‌ریمی کوردستان | وەزارەتی سامانه سروشتنیه کان

# MNR OSC C&C Package

Ministry Natural of Resources Oilfield Services Company Commitment & Compliance Package

## Foreign OSCs

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| <b>Oilfield Service Company (OSC) Registration &amp; AVL Listing</b> |                                 |  |
|--|---------------------------------|--|
| Document Title   | General Terms & Conditions      |  |
| Version Date   | 19 <sup>th</sup> September 2016 |  |
| Document Ref.  | AVL-Application-T&C-Version 1   |  |

## **Terms & Conditions for Users of the AVL System**

### **1. Definitions**

- a. “AVL System” means the online AVL System that is a part of the MNR Portal;
- b. “Material” means text, graphics, images and any other viewable item or content on the MNR Portal;
- c. “MNR Portal” refers to the online platform hosting the AVL System ([www.mnrportal.com](http://www.mnrportal.com));
- d. “Oilfield Services Company” or “OSC” is a company that provides services to Petroleum Companies;
- e. “OSC Licence” is the license issued by the Ministry of Natural Resources to a registered Oilfield Services Company;
- f. “Registration” means registration onto the AVL System;
- g. “Users” means any user of the MNR Portal.

### **2. General Terms & Conditions**

- a. Upon Registration, OSCs shall be given a Subscription to the AVL System, which shall remain valid for a period of time no shorter than the duration of the OSC License (“License”) issued to the OSC.
- b. The Ministry reserves the right, at its sole discretion and at any time, to make changes to these Terms and Conditions. Any changes made will be effective accordingly when the updated Terms and Conditions are sent to the User.
- c. Any User who violates these Terms and Conditions may be suspended from the Approved Vendor List (AVL) System (“AVL System”), and so denied the opportunity to be invited to tender by Petroleum Companies.
- d. Users understand and agree that the Ministry will communicate matters concerning the AVL System via the MNR Portal. Users agree that Ministry communications concerning the AVL System or related matters should not be shared with any other parties.
- e. While the Ministry makes reasonable efforts to ensure that the AVL System is available at all times, the Ministry does not guarantee that the AVL System will be uninterrupted or error-free, and the Ministry does not guarantee that Users will be able to access or use the AVL System or all of its features at all times.
- f. The Ministry may change, suspend or discontinue the AVL System, or any of its features, at any time, and the Ministry may also impose limits on the use of or access to certain features or portions of the AVL System, or restrict a User’s access to any part or all of the AVL System, in all cases without prior notice to the User and with no liability to the Ministry.
- g. Users are responsible for maintaining the confidentiality of their AVL System access credentials (login ID and password).
- h. The Ministry does not endorse or guarantee the accuracy of any User information, and all Users agree that the Ministry shall not be held responsible for the accuracy of their

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information and shall not be liable for any damages incurred as a result of the submission or use thereof.

- i. Users shall not infringe in any manner on the copyright, trademark or intellectual property rights of any person or entity, or that contain any confidential or proprietary information of any person or entity, or that otherwise violates the legal rights of any person or entity.
- j. Users represent and warrant to the Ministry that all the information provided by them to the Ministry to register onto the AVL System is correct and current, and that they have all the necessary rights, power of attorney and authority to Register.
- k. The Ministry makes no representations or warranties concerning the accuracy of the information it supplies to the User.
- l. The Ministry disclaims any responsibility or liability arising from the disclosure of any information by the User, or for the conduct of Users or any obligations arising whether directly or indirectly from being a User, including claims for damages and/or for any indemnification whatsoever.
- m. The Ministry and its subsidiaries, affiliates, officers, directors, agents, and employees shall be indemnified from any and all claims arising out of any kind of loss from any User using the AVL System.
- n. Users acquit and discharge the Ministry from any and all liabilities, claims, demands, actions and causes of action that such User or such User's legal representatives may have by reason of any monetary damage or personal injury sustained as a result of use of the AVL System.

### **3. Suspensions & Violations**

- a. The Ministry reserves the right to suspend any User at its sole discretion and for any reason, from the AVL System.
- a. The Ministry also reserves the right to suspend a User without notice, if there is a period of extended inactivity.
- b. At the written request of the User, the Ministry is able to suspend the User from the AVL System.
- b. The Ministry may investigate incidents involving such violations, any violations of these Terms and Conditions that may constitute or have the potential to constitute violations of law, and any activity by Users that constitute or may constitute violations of law. Users understand that the Ministry may report any such activity to, and cooperate with, law enforcement, or other legal process.
- c. Violations of system and network security of the MNR Portal are prohibited, and may result in criminal and civil liability. Examples of the Ministry system and network security violations include the following:
  - i. Any automated use of system.
  - ii. Use of software that allows your account to stay logged on while you are not actively using the account.

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- iii. Unauthorized access to or use of data hosted on the MNR Portal, systems or networks, including any attempt to probe, scan or test the vulnerability of the system or network or to breach security or authentication measures without the express authorization of the Ministry.

#### **4. Fees & Payments**

- a. Where applicable, fees are to be paid via an online payment system.
- b. Credit card details are handled by a third party payment gateway and the Ministry will never save actual card details. For the avoidance of doubt, the Ministry will not in any circumstance be liable to the payer, or any loss or damage the payer may suffer from credit card fraud or identify theft.
- c. Unless the User has been accidentally overcharged, the Ministry will under no circumstances process any refunds.

#### **5. Copyright & Trademark**

- a. Unauthorised use of the Material on the MNR Portal may violate copyright, trademark, and other laws.
- b. You may not sell or modify the Material or reproduce, display, publicly perform, distribute, or otherwise use the Material in any way for any public or commercial purpose.
- c. The use of the Material on any other website for any purpose is prohibited.
- d. You shall not copy or adapt any source code from the MNR Portal. It is protected by the Ministry's copyright.
- e. The trademarks, names, logos and service marks (jointly "Trademarks") displayed on the MNR Portal are registered and unregistered Trademarks of the Ministry.
- f. No content on the MNR Portal should be interpreted as granting any license or rights to utilise any trademark without the prior written permission of the Ministry.

#### **6. Privacy Policy**

- a. This privacy policy discloses the privacy practices for [www.mnrportal.com](http://www.mnrportal.com). The Ministry recognises the importance of User privacy and treats personal information provided to the Ministry with respect and integrity.
- b. The Ministry collects information provided by Users in the MNR Portal. This information includes but is not limited to company name, phone number, email address etc.
- c. This online privacy policy applies only to data collected through the MNR Portal and not to information collected offline.
- d. The MNR Portal may contain links to other Websites. The Ministry does not have any control over such external Websites, therefore once a User has used these links to leave the MNR Portal, the Ministry cannot be responsible for the protection and privacy of any information, that a User provides whilst visiting such sites and this Privacy Policy does not govern such sites. Users should exercise caution and look at the privacy statement applicable to the Website in question.

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- e. If a User uses a credit card to make payment via the MNR Portal, Users' details will be passed on to the credit card processor (third party) who will receive the credit card details for transaction. Credit card information will not be stored on Ministry servers.

#### **Acceptance**

The undersigned accepts that the company: \_\_\_\_\_ fully understands the above Ministry requirements and will fully comply with this Terms & Conditions document, with the understanding that if the company is found to be in violation of the above that this is considered by the Ministry as a violation of the Registration Standard and may result in delisting (or suspension) of the company from the Ministry's AVLs..

Signed:

Position:

Date:

| <b>Oilfield Service Company (OSC) Registration &amp; AVL Listing</b> |                                 |
|--|---------------------------------|
| Document Title   | OSC Code of Conduct Form        |
| Version Date   | 30 <sup>th</sup> September 2016 |
| Document Ref.  | AVL-Application-COCF-Version 1  |



## **Oilfield Service Company (OSC) Code of Conduct**

### **A. General Business Conduct**

1. Comply with Kurdistan Region & Iraqi Laws & Regulations
2. Comply with Ministry of Natural Resources Instructions, Regulations, Guidelines & Directives
3. Support local capability development in the Region
4. Develop & demonstrate competency to carry out oil & gas industry operations
5. Preferentially conduct business with companies that subscribe to this Code of Practice
6. Collaborate with Petroleum Companies and OSCs to achieve common industry benefit
7. Share information with clients, competitors and suppliers that builds stable relationships
8. Disclose all relevant information to clients, suppliers, partners, investors on timely basis
9. Supply the MNR with information and data as requested on a timely basis

### **B. Business Ethics**

10. Never knowingly support other parties in violating this Code
11. Fully disclose to the Petroleum Company any potential conflict of interest in tendering
12. Disclose any evidence of corrupt practice to the Petroleum Company or MNR
13. Never offer inducements, grant favours or make payments for competitive advantage
14. Respect clients' and third parties' material & intellectual property rights
15. Never knowingly misrepresent the company's capabilities
16. Never attempt to improperly influence contract awards (Petroleum Companies & MNR)
17. Provide MNR and Petroleum Co. with up-to-date, complete and accurate information
18. Do nothing to bring the Kurdistan Oilfield Services Industry into disrepute
19. Respect Petroleum Company tender document (and process) confidentiality
20. Respect the sanctity of contracts

### **C. Employment**

21. Foster and provide a respectful, non-discriminatory, safe and harassment-free workplace
22. Obtain MNR Work Permits for all foreign workers (do not acquire visas or residencies for any foreign workers outside of the MNR process)
23. Recruit local staff based on merit (qualifications, demonstrated skills and achievements)
24. Create a work environment of mutual trust and respect in which diversity is valued
25. Competitively reward employees based on merit (competency and performance)
26. Assist employees to develop their full potential
27. Refrain from using forced, indentured or child labour
28. Ensure that employment practices comply with labour laws
29. Ensure employment practices are consistent with good industrial relations practices

| <b>Oilfield Service Company (OSC) Registration &amp; AVL Listing</b> |                                 |  |
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#### **D. Workforce Capability Development**

- 30.** Give preference to hiring personnel from the Kurdistan Region and other parts of Iraq
- 31.** Improve the knowledge and qualifications of local staff to the level of foreign workers
- 32.** Train local personnel in use of current and advanced technology
- 33.** Support development of Occupational Standards & Kurdistan Qualifications
- 34.** Only hire foreign personnel who have the competence required to perform the work
- 35.** Require foreign staff to have the mentoring / coaching skills to train local staff
- 36.** Support the establishment of industry apprenticeship programs

#### **E. Local Enterprise Development**

- 37.** Develop awareness of local (community) capability, contractors, enterprise owners etc.
- 38.** Provide full & fair opportunity to equipment and materials that are locally available
- 39.** Give preference to qualified, commercially acceptable local subcontractors
- 40.** Develop capability of local suppliers to compete for oil & gas industry contracts
- 41.** Support implementation of HSE management systems by local sub contractors
- 42.** Help educate rural communities about business opportunities
- 43.** Share standards, best practices, statistical data, training resources with local suppliers
- 44.** Avoiding any form of corrupt practice in contracting local services

#### **F. Local Community Development**

- 45.** Be fully aware of affected communities in the area of operation (through the Operator)
- 46.** Identify the availability of labour from the communities (with skillsets and enterprises)
- 47.** Identify, manage and mitigate projects risks from local communities' expectations
- 48.** Conform to the MNR & Operator's social policies and commitments
- 49.** Seek opportunities to maximise the local community benefit from operational activities
- 50.** Sponsor local community capability improvement initiatives
- 51.** Minimise operational impact on communities
- 52.** Demonstrate social responsibility and good corporate citizenship

#### **G. Workforce, Community & Environmental Protection**

- 53.** Minimise the risks of injury to workers or the community
- 54.** Minimise any damage to the environment arising from planning & operational activities
- 55.** Meet health, safety and environmental standards (Industry, Government and Operator)
- 56.** Ensure safe handling, transport and responsible use of all materials and equipment
- 57.** Make responsible use of natural resources to minimise waste and emissions
- 58.** Collaborate with IOCs and OSCs to promote environmental care, increase the understanding of environmental issues and disseminate good practice
- 59.** Promote sustainable development in operations

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Acceptance;

The undersigned accepts that the company: \_\_\_\_\_ fully understands the above Ministry requirements and will fully comply with this document, with the understanding that if the company is found to be in violation of the above that this is considered by the Ministry as a violation of the Registration Standard and may result in delisting of the company from the Ministry's AVLs or suspension.

Signed:

Position:

Date:

| Oilfield Service Company (OSC) Registration & AVL Listing |                                 |
|---|---------------------------------|
| Document Title  | ABC Statement of Commitment     |
| Version Date  | 30 <sup>th</sup> May 2016       |
| Document Ref.   | AVL-Application-ABCSC-Version 1 |



## Statement of Commitment: Anti-Bribery & Corruption

The Ministry of Natural Resources (Ministry) requires all individuals and companies who supply goods or services to the oil & gas industry in Kurdistan to operate ethically, and to fully comply with applicable laws prohibiting bribery and corrupt practices, (including the U.K. Bribery Act and the U.S. Foreign Corrupt Practices Act) and to comply with Iraqi and KRI anti-corruption laws and regulations.

The Ministry requires all OSCs to have an Anti-Bribery and Corruption (ABC) policy. This ABC policy is subject to acceptance by the Ministry as part of the OSC Registration and AVL Listing process. 3C OSCs who do not have such an acceptable ABC policy are required to adopt and comply with this document until such time as they have an acceptable policy in place (and approved by the OSCs Board or Directors or Owners).

The Ministry's key requirements are as follows:

- **No Bribes.** You will not offer, request, promise, provide, or accept bribes, kickbacks, or other payments, or *anything of value*, to improperly influence government officials or representatives of petroleum companies in the performance of their duties.  
For the avoidance of doubt, “anything of value” could include, but is not limited to, cash, gifts, loans, services, entertainment, meals, travel, and even intangible benefits, such as hiring a relative or donating to a charity with improper intent.  
You will also not use third parties to make or receive such payments that you are prohibited from making or receiving, or to otherwise engage in activities that the Ministry prohibits.
- **No Facilitation Payments.** Facilitation payments, sometimes known as ‘grease’ payments, are payments of cash, gifts, benefits, or other things of value to a government official to secure or speed routine, non-discretionary government actions, such as issuing permits or releasing goods held in customs. The Ministry prohibits facilitation payments, no matter how small, and no matter the commercial consequences of not making them.
- **Internal Controls.** You will maintain a system of internal controls sufficient to ensure the proper authorization, recording, and reporting of all payments and other transactions in connection with the company’s work, and to provide reasonable assurance that violations of the Anti-Bribery and Corruption laws are prevented, are detectable, and are therefore deterred.
- **Books, Records, and Accounts.** You will keep books, records, and accounts that, in reasonable detail, accurately and fairly reflect all payments made and other transactions undertaken in connection with the company’s work.
- **ABC Program.** You will develop a strong ABC program to prevent bribery and corruption by your organization and by those who supply goods and services for it in connection with the company’s work.
- **Gifts, Entertainment, Meals, and Hosting.** For most of your company’s suppliers, there will be no reason to provide any gifts, entertainment, or meals, or to pay travel, lodging, or other hosting expenses. If and when such expenditures are required, they should be modest in value, infrequent, appropriately timed, and compliant with applicable law, and should never affect or appear to affect impartial decision-making by the recipient or anyone associated with the recipient.

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The Ministry has the same requirements regarding any gifts, entertainment, meals, or hosting that you provide to Ministry's employees and contractors.

- **Sub-contractor and Third Party Relationships.** If you permissibly engage a subcontractor or other third party to help you perform work obligations, you will conduct a thorough anti-corruption due diligence on that third party, and include in your written contract with the subcontractor, ABC undertakings that are no less stringent than those in your own contract.
- **Questions and Concerns.** If you have questions or concerns regarding possible violations of the law or Ministry's Code of Ethical Conduct, you should raise them with Ministry's local management. The Ministry expects you to inform it of any instance in which someone violated or was asked to violate these ABC expectations. The Ministry prohibits retaliation against someone who in good faith voices concerns or reports misconduct.

Acceptance;

The undersigned accepts that the company: \_\_\_\_\_ fully understands the above Ministry requirements and will fully comply with this document, with the understanding that if the company is found to be in violation of the above that this is considered by the Ministry as a violation of the Registration Standard and may result in delisting of the company from the Ministry's AVLs, suspension or even criminal prosecution.

Signed:

Position:

Date:

| Oilfield Service Company (OSC) Registration & AVL Listing |                                 |
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| Document Title  | HSE Statement of Commitment     |
| Version Date  | 30 <sup>th</sup> May 2016       |
| Document Ref.   | AVL-Application-HSESC-Version 1 |



## Statement of Commitment: Health, Safety & Environment

The Ministry of Natural Resources (Ministry) requires all individuals and companies who supply goods or services to the oil & gas industry in the Kurdistan Region (KRI) to operate responsibly, and commit to the principles of good Healthy, Safety & Environment (HSE) practices as outlined in this document.

The Ministry requires all OSCs to have a HSE policy. This HSE policy is subject to acceptance by the Ministry as part of the OSC Registration and AVL Listing process. 3C OSCs who do not have such an acceptable HSE policy are required to adopt and comply with this document until such time as they have an acceptable policy in place (and approved by the OSCs Board or Directors or Owners).

### The Ministry's key requirements are as follows:

- **Operating safely, responsibly and reliably.** OSCs working in the KRI should do so respectfully and responsibly, and make top priority the safety of personnel assigned to the KRI, and that of everyone else who may come into contact with its operations, as well as protecting the environment and respecting the local communities. All OSCs should aim for: no accidents, no harm to people and no damage to the environment.
- **Protecting health, safety and security.** The health, safety and security of everyone in the KRI are essential to its success. All individuals are responsible for getting health, safety and security right.
- **Protecting the environment.** OSCs should work hard to reduce their impact on the environment and improve the health of individuals by reducing waste, emissions and discharges, using energy efficiently and producing safe, high quality products.
- **HSE management.** OSCs should aim to manage their operating and HSE risks systematically, and improve performance through applicable operating and HSE management systems. OSCs should set measurable HSE performance targets in its business plans, which all personnel assigned in KRI are committed to meeting.
- **Safety at all costs.** Personal and process safety is about more than following rules. Everyone needs to be alert to safety risks as they go about their jobs. Nothing is so important that it cannot be done safely.
- **Basic rules all personnel working in the KRI must follow:**

#### Contractor Personnel Should Always:

- Comply with applicable laws and follow the procedures, processes and instructions set out in the local operating or HSE management system.
- Stop work that is believed to be unsafe or likely to result in a loss of containment that will damage the environment.
- Only undertake work for which the employee is competent, medically fit, and sufficiently rested and alert to carry out.

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- Make sure everyone knows the emergency procedures in the places of work.
- Make sure that they and their colleagues, contractors and third parties act consistently with the their client's HSE commitments.
- Report to their client any accident, injury, illness, unsafe or unhealthy condition, incident, spill, unplanned release of material to the environment, or apparent breach of law or the Ministry policies and guidelines so that immediate action can be taken. It should never be assumed that someone else would report a risk or concern.
- Ask for help and advice if unclear about any aspect of the HSE agenda and the operating responsibilities or if there is a concern about a possible or actual breach of a law or the Ministry's policies and guidelines at work.

**Contractor Personnel Should Never:**

- Work while their performance is impaired by alcohol or any drugs, legal or illegal, prescription or otherwise.
- Threaten, intimidate or act violently towards anyone at work.
- Bring weapons –including those carried for sporting purposes– unless prior approval to do so has been obtained.

**Acceptance:**

The undersigned accepts that the company: \_\_\_\_\_ fully understands the above Ministry requirements and will fully comply with this document, with the understanding that if the company is found to be in violation of the above that this is considered by the Ministry as a violation of the Registration Standard and may result in delisting of the company from the Ministry's AVLs or suspension.

**Signed:**

**Position:**

**Date:**

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| Document Title  | QP Statement of Commitment     |
| Version Date  | 5 <sup>th</sup> June 2016      |
| Document Ref.   | AVL-Application-QPSC-Version 1 |



## Statement of Commitment: Quality Performance

The Ministry of Natural Resources (Ministry) requires all companies who supply goods or services to the oil & gas industry in the Kurdistan Region (KRI) to follow good quality practices in order to achieve consistent and excellent performance.

The Ministry requires all OSCs to have a Quality Management (QM) policy. This QM policy is subject to acceptance by the Ministry as part of the OSC Registration and AVL Listing process.

OSCs who do not have such an acceptable QM policy are required to adopt and comply with this document until such time as they have an acceptable policy in place (and approved by the OSCs Board or Directors or Owners).

**The Ministry considers that all OSCs should subscribe to the following in the delivery of their goods and services:**

- Quality is a company value and strength.
- Quality provides a safe working environment.
- Quality is vital in everything we do.
- Quality management requires individual and team commitment.
- Quality comes from continuous improvement.
- Quality delivers cost-effective performance.
- Quality management protects cost and schedule.
- Quality management is about getting it right the first time.
- Quality is something for which we plan.

**The Ministry further expects all OSCs to:**

- Provide only those services where the company demonstrates the necessary competency standards (and accept to be audited against required standards)
- Meet all quality requirements and standards as required by International Oil Companies (IOCs) and the Ministry;
- Perform quality performance planning for new projects by understanding contractual quality requirements and creating project quality plans that reflect those requirements;
- Maximise performance delivery through monitoring and inspection of goods and services, reporting of quality failures and implementing corrective actions, on an on-going basis;
- Validate the effectiveness of the your quality procedures through internal self assessment by management and if need through an external third party auditor;
- Continue to build quality capability through training programs that develop technical qualifications, increase awareness, and manage risk in order to achieve improving levels of excellence;
- Set annual quality goals to ensure continuous improvement and measure performance against past experiences and information;
- Commit to communicating the company's quality strategies to clients and to all company personnel who are directly involved.

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| Document Ref.  | AVL-Application-QPSC-Version 1 |



- Develop management competency over time that demonstrates understanding and promotion of the principles of a good quality management system.

Acceptance;

The undersigned accepts that the company: \_\_\_\_\_ fully understands the above Ministry requirements and will fully comply with this document, with the understanding that if the company is found to be in violation of the above that this is considered by the Ministry as a violation of the Registration Standard and may result in delisting of the company from the Ministry's AVLs or suspension.

Signed:

Position:

Date:

| Oilfield Service Company (OSC) Registration & AVL Listing |                                       |
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| Document Title  | Work Permits: Statement of Compliance |
| Version Date  | 10 <sup>th</sup> July 2016            |
| Document Ref.   | AVL-Application-WPSC-Version 1        |



## MNR Work Permits: Statement of Compliance

A Work Permit is the MNR's approval that a foreigner may be hired or contracted for a role in the oil & gas industry, for either an oil & gas or oilfield service company (OSC), which cannot be filled by a local worker. It is also a means used by the MNR for monitoring and Incentivising localisation.

OSCs are therefore required to obtain a Work Permit for all foreign workers. This requirement of an OSC to obtain Work Permits is by the authority of the Minister of Natural Resources, (Ministerial instruction No. xxx - Work Permit Process)

An approved Work Permit is also a pre-requisite for a Residency Permit (issued by the Ministry of Interior), which allows a worker to remain in the Region for more than 14 days. (Note that in addition to the Work Permit & Residency Permit, citizens of certain countries will require a Visa to be able to enter the Kurdistan Region.)

This Statement of Compliance is required from all OSCs applying for AVL Registration & Listing.

### Application

OSCs currently apply in writing to the MNR but will apply for Work Permits online, through the MNR Portal, in the near future. In addition to the online application, the company must submit, or update, an acceptable Localisation Commitment and Succession Plan with the MNR, which explicitly address the localisation of the position for which the company is requesting a Work Permit. (The form of this Plan is detailed in an MNR Guideline)

The MNR Local Workforce Development Office will be responsible for stewarding the OSC's localisation progress, as per the submitted Plans. Failure to recruit and develop local staff may lead to denial of subsequent Work Permits.

### Work Permit Fees

Applications for Work Permits require the payment of a fee to the MNR, which reflects the seniority of the position and the duration of the Work Permit. These fees will be used to fund a program of foundation training for graduates and school leavers to help prepare them for employment in the oil & gas industry.

### Acceptance;

The undersigned accepts that the below-named Oilfield Service Company fully understands the above MNR requirements regarding Work Permits and will fully comply with the relevant MNR Instructions and Guidelines (including fees), with the understanding that if the company is found to be in violation of the above, that this is considered by the Ministry as a violation of the AVL Registration Standard and may result in delisting or suspension of the company from the MNR's AVLs.

OSC Name:

Signed:

Position:

Date:

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| Document Title  | Competency Assurance: Statement of Commitment |   |
| Version Date  | 10 <sup>th</sup> July 2016                    |   |
| Document Ref.   | AVL-Application-CASC-Version 1                |   |

## OSC Competency Assurance: Statement of Compliance

The MNR is obliged to assure the Government and the people of the Kurdistan Region that the Oil & Gas Industry is taking all reasonable measures to safeguard workers, communities and the Kurdistan Region in general, from undue health, safety and environmental risks.

Oilfield Service Companies (OSCs) are therefore obliged to ensure the health and safety of their workforce; to safeguard local communities and the public at large; and to protect the environment. Critical operations must therefore be undertaken by personnel whose competency to perform their tasks has been assured. This applies to foreign and local staff.

OSCs are responsible for the training & development of their workforce to the level of competency that is consistent with their professed capability as a service provider.

OSCs are required to be AVL Listed in order to tender for specified supplies and services contracts and are expected to tender only for such contracts with IOCs for which their workforce is competent to execute proficiently, safely and to meet the level of quality stipulated by the IOC.

The AVL Registration and Listing process has requirements in the application process to ensure that OSCs are fully aware of their responsibilities in registration and listing in this regard. The Code of Conduct specifically mentions the requirement to never knowingly misrepresent the company's capabilities.

Furthermore, OSCs have an ongoing obligation to ensure that their workforce remains capable, and further to develop their workforce capability to reach a level of competence of foreign workers. OSCs are encouraged to collaborate in the development of competency standards. The MNR expects the Industry to develop and adopt competence standards, particularly in operational roles, and furthermore to establish common means of competency assessment and qualification within the Kurdistan Oil & Gas sector.

This Statement of Compliance is required from all OSCs applying for AVL Registration & Listing.

The MNR may from time to time define Competency Standards (preferably with Industry support), which will become specific AVL Listing requirements.

### Acceptance:

The undersigned accepts that the below-named Oilfield Service Company fully understands the above MNR requirements for competency assurance and will fully comply with the MNR expectations regarding competency development, with the understanding that if the company is found to be in violation of the above, that this is considered by the Ministry as a violation of the AVL Registration Standard and may result in delisting or suspension of the company from the MNR's AVLs.

OSC Name:

Signed:

Position:

Name:

Date:

| Oilfield Service Company (OSC) Registration & AVL Listing |  |  |
|---|--|---|
| Document Title  | Reporting & Data Submission: Statement of Compliance |   |
| Version Date  | 10 <sup>th</sup> July 2016                           |   |
| Document Ref.   | AVL-Applications-RDSSC-Version 1                     |   |

## OSC Reporting & Data Submission: Statement of Compliance

The process of Registration and Listing on the MNRs Approved Vendor Lists requires Oilfield Service Companies(OSCs) to comply with the MNR's OSC Reporting and Data Submission requirements. The MNR wishes to steward OSCs' workforce development, their contribution to developing local enterprises and their community support. OSC are therefore required to submit information on a quarterly (or annual basis) to the MNR detailing their accomplishments

This Statement of Compliance is required from all OSCs applying for AVL Registration & Listing.

This data and reporting is intended to:

- reinforce Service Companies' obligations for local development
- monitor OSCs' local and foreign employment, and local workforce skill development
- analyse the Regional workforce and enterprises engaged in the Industry for planning purposes
- recognise those OSCs making the greatest contribution in local development

There are different requirements of OSC reporting depending on size and category. Reports will be submitted as per a prescribed template detailed in a separate MNR Guideline. (Note that OSC Local Development achievements will be progressively introduced into IOC tender evaluations).

Progressively, these reports will be submitted through the MNR portal and this document and associated guidelines, will be revised from time to time to reflect such changes.

|                                     | 3C OSCs        | Local Service OSCs      | Foreign OSCs         |
|-------------------------------------|----------------|-------------------------|----------------------|
| <b>Workforce Data</b>               |                |                         |                      |
| Quarterly Workforce Data            | N/A            | Above 10 fulltime staff | Except suppliers     |
| Annual Local Workforce Report       | Limited Report | Limited for small co's  | All                  |
| <b>Local Enterprise Development</b> |                |                         |                      |
| Annual Local Enterprise Report      | Limited Report | Limited for small co's  | All                  |
| <b>Community Development</b>        |                |                         |                      |
| Annual Community Dev't Report       | Limited report | Limited for small co's  | All except Suppliers |

### Acceptance

The undersigned accepts that the below-named Oilfield Service Company fully understands the above MNR requirements regarding Reporting & Data submissions and will fully comply with the relevant MNR Instructions and Guidelines (including fees), with the understanding that if the company is found to be in violation of the above, that this is considered by the Ministry as a violation of the AVL Registration Standard and may result in delisting or suspension of the company from the MNR's AVLs.

OSC Name:

Signed:

Position:

Date