

**COLLECTIVE BARGAINING AGREEMENT  
FOR EMPLOYEES ON  
MOBILE OFFSHORE UNITS  
ON THE NORWEGIAN CONTINENTAL SHELF**

(Unofficial translation)

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The agreement includes personnel in the following positions:

Section Supervisors in production, drilling, maintenance and marine  
Assistant Section Supervisors and specialists within production, mechanical,  
electro/instrument and marine  
Driller  
Subsea Engineer  
Safety Supervisor (flotel)  
Hydraulic Engineer  
Electrician  
Electronics Engineer  
Instrumentation Engineer  
DP-Operator  
Control Room Operator  
Engine Room Operator  
Ballast Control Room Operator

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## **AGREEMENT REGARDING EMPLOYEES ON MOBILE OFFSHORE UNITS IN OPERATION 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.

This agreement may be implemented as Collective Agreement in manpower companies / temporary employment agencies that have employees who are hired out, and who are performing work subject to the scope of this 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 DSO 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. 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 60<sup>th</sup> 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 exceed 12 hours during 24 hours and 33.6 hours per week in average over 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.

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 (monthly wage/146) per hour. 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 the time of check in at hotel or arrival at home and until departure from 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 the 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 case of deviation from the work schedule, a compensation of a given sum (see wage scale) per day is granted, upward limited to a given sum (see wage scale) for each day the employee works on a day that should have been a leisure day from the abruption of the normal working cycle until the previous work cycle has been restored.

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 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 practiced 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 cannot 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 (see protocol amendment in article 26)

- 0 Platform Manager (see separate agreement)
- 0.1 Toolpusher, Production Supervisor
- 1 Section Supervisors, Technical Supervisor, Deputy Platform Manager with Deck Officer Certificate Class 1, Maritime Barge Supervisor, Stability Supervisor, Maintenance Supervisor, Deputy Toolpusher
- 2 Driller, Subsea Engineer, Catering Manager, Senior Electrician/Chief Electrician, Assistant Technical Supervisor
- A1 Assistant Section Supervisors, Electrician, Safety Supervisor, Medics, DP-Operator
- A Assistant Driller, Control Room Operator, Engine Room Operator, Ballast Control Room Operator
- B Hydraulic Engineer, Electronics Engineer, Instrumentation Engineer, Crane Operator/supervisor, Storekeeper

Wage for employees in wage groups 1 and 2 are 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 the employees in wage group 1 and 2 the following articles will not apply; article 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. 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.

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

Notes:

Minimum wage rates per month for following groups:

Group	Position	Regular monthly wage	Adjusted monthly wage
0	Platform Manager	See wage scale	See wage scale
0.1	Toolpusher, Production Supervisor	See wage scale	See wage scale
1	See wage group	See wage scale	See wage scale
1.1	Catering Manager	See wage scale	See wage scale
2	See wage group	See wage scale	See wage scale

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).

Notes

Electricians in Platform Drilling and Rig Mechanics in Platform Drilling holding a Certificate in Hydraulics will be promoted to wage group A1 after 1 year in the top wage position. When promoted, the employee will achieve the wage position that in NOK's is closest above wage position 6 in wage group B.

With effect from January 1<sup>st</sup> 2013 Rig Mechanics in Platform Drilling advanced to wage group A after 1 year in the top wage rate. 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. In companies holding the position of Mechanic in Platform Drilling, the costs of this regulation may be related to the total wage adjustment in 2012. Furthermore, the consequences of further promotion of this position shall be evaluated locally before 31/05/2013 correspondingly as for Electrician in Platform Drilling, so that the parties can consider this related to negotiations for adjustment regulations for the 2nd year of the Agreement (2013) with the option to go to work stoppages.

The Permanent Position Committee for mobile units has previously considered the position as Leading Electrician/Chief Electrician and decided individual placement in wage group 02. It is agreed that companies have the opportunity to use this position with corresponding wage group position according to the decision made by the Permanent Position Committee.

#### **4.1.1 Seniority increments**

The seniority increment stages apply for service time after 0, 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 1<sup>st</sup> January following the regulations below;
  1. Employees that obtain employment between 1<sup>st</sup> January and 30<sup>th</sup> June will achieve a seniority increment 1<sup>st</sup> 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 regards 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, 2<sup>nd</sup> and 3<sup>rd</sup> 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) - see attachment. 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 may be arranged locally in the company for employees with wages settled according to the wage matrix and who temporarily function in a position as individual salaried, that the person concerned be placed in the company's system on individual wages for the relevant position for the time the person in question functions in that position.

#### **4.2.2 Permanent alternating position**

Personnel who work in various positions shall be remunerated as the higher placed of the positions. If one shall serve instead of one who is permanently employed in the higher position, the provision in section 4.2.1 applies. If overtime is included in wage rates for one position, but not for the other, the overtime is calculated separately for the time one serve in the position covered by the working time regulations with overtime rates for this. This paragraph does not apply where one of the positions is the Platform Manager.

#### **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 the amount stated in the wage scale. 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 regards 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 as shown in the wage scale. 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 as shown in the wage scale 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**

- a) Employee working with oil based drilling mud is to be paid an allowance according to the wage scale per 12 hours shift worked.
- b) 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.
- c) The allowance per 12 hours shift worked is for the positions Assistant Derrickman, Derrickman, Roughneck, Mud Strainer Operator, Drill Floor Mechanic, Assistant Driller and DMO.
- d) For cleaning of mud pit a dirt and discomfort allowance per hour according to wage scale is to be paid for the time used.
- e) When cuttings injection plant is in operation, the person operating the plant is compensated at the rate found in the wage scale.
- f) There is an additional compensation per hour according to the wage scale for operation of the plant.

## **6.6 Smoke divers**

Smoke divers on alert schedule are to be paid an extra increment per month.

## **6.7 Medic in pressure chamber**

Medic 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 infectious cabin**

Those who are instructed to clean an infectious cabin (defined by Platform Manager) are to be compensated with the amount stated in the wage scale.

### **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 stated in the wage scale 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 allowances apply.

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 relating to the issue and renewal of 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 as shown in the wage scale.

The parties agree on the following calculation of vacation allowance:

Earnings during the period  
 + Free meals (as shown in the wage scale) 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 per day as shown in the wage scale:

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, and 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 the amount in the wage scale 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 the rates of the State rates 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 stated in the wage scale. For every four hours of waiting in heliport in addition to this, the employee is entitled to a meal at the value stated in the wage scale. 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 stated in the wage scale 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

Such short welfare leaves under a) and b) shall be compensated by up to 7 days wages (84 hours), even if the leave as a result of the communication situation etc. is of a longer duration. Welfare leave under c) shall be compensated by up to 14 days wages (168 hours) even if the leave as a result of communication or similar is of longer duration. The right to paid leave only applies for days that 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**

Leave without pay may be granted for up to 1 year when the employee or next of kin has problems, which on doctor's recommendation entails that the employee should be granted leave of absence. The company will also, if conditions are favourable, grant leave of absence exceeding 1 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 28<sup>th</sup> 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.e. 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 the amount stated in the wage scale.

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. SUBSTITUTE / RESOURCE POOL**

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

1. Substitutes to cover illness
2. Substitutes for the Collective Agreement's and statutory leave of absence
3. Personnel for short-term assignments and fluctuations in activity

The parties may agree locally to deviate from the Collective Agreement for employees in substitute / resource pool (see Joint Declaration on the local substitute- resource pool agreements). Such an agreement must be approved by the organizations.

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

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

## **21. PENSION COMPENSATION SCHEME**

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

The employer will make a monthly payment to a pension fund, the amount stated in the wage scale, per employee who are non-union or a member of DSO. The amount will to be paid to the following account no. 1644 16 54298.

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**

DSO 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**

**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 employed at the end of apprenticeship by the company training them shall be credited the training time for company seniority and wages.

**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 emphasize 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
Employees temporary employment agencies	see appendix 3
Resource pool joint declaration	see appendix 4

### 26. ADJUSTMENT REGULATION

Prior to the expiry of the first year of the agreement negotiations shall be commenced between the NSA and DSO 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 DSO 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 1<sup>st</sup> 2017.

### 27. ADDITIONS TO THE 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 pay attention 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 DSO 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 forum 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 Derrick man, Derrick man 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 salary adjustment for individual salaried personnel, discuss with the shop stewards or group representatives on the principles that one wishes to apply for the adjustment.

Before the company determines the year's salary increases, meaningful discussions between the company and the shop stewards shall take place. There shall be drawn a protocol from the discussions.

These discussions are supplemental to the central settlement and must be held even if the companies initially do not want to make adjustments beyond what has been determined centrally.

The shop stewards have the right to check the salaries of personnel in the salary group of 0-2 in the context of that the work cycle is in line with the intentions of the payroll system.

At discussions under this section the company shall, if the shop stewards so requests, provide salary records of the union's own members (SAFE, DSO and Industry Energy - to be included separately in the respective Agreements) and also an anonymous documentation of wages for occupational categories where SAFE, DSO and Industry Energy have members, but in such a way that this does not come into conflict with the Act on privacy.

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.

#### Committees – Joint declaration on individual salaried personnel 2012

The parties agree that a committee will be established in order to review all matters during the tariff period, relating to individual salaries.

#### **Addition to record of proceedings of 2002, concerning pension fund**

The organisations establish a pension fund. The employer shall make a monthly payment to the fund of NOK 110,- per employee unionised by DSO. 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.

The organisations will prepare statutes for the fund and ensure its management.

#### **Addition to record of proceedings of 2010, § 8,2**

Meetings related to operation and maintenance summoned by the Platform Manager, Section Supervisors or whomever they may have authorized, shall be considered mandatory meetings.

This does not apply for employees who are individually remunerated or when the meeting is concerning personal circumstances for the employee summoned.

#### **Committee 2012:**

##### **Certificate of apprenticeship and OMO**

The parties have agreed to appoint a joint committee to review the arrangement on compensation for certificate of apprenticeship and the establishment of new certificates (within 01/01/2013), including wage group positioning for the OMO position with or without certificate of apprenticeship.

It should be possible to claim a new wage groups positioning of the OMO in connection with the adjustment regulations (2013) with the possibility to work stoppage.

**28. ENTRY INTO FORCE – DURATION**

The agreement applies from 1<sup>st</sup> June 2016 until 31<sup>st</sup> May 2018 and thereafter for 1 year at a time unless one of the parties terminates the agreement in writing with 2 - two - month notice.

**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****§ 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.

**§ 2 MEANS**

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

1. training of DSO 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.

**§ 3 FINANCING**

The funds are obtained by settling dues amounting to NOK 19,00 per month for the employees subject to the agreements between DSO and NSA and NOK 95,00.- per month for the employer of an equivalent number of employees. 15 days or more are set as equal to one month. Shorter periods are not included. NOK 49,00,- of the money goes to DSO, while the rest is divided equally between DSO and NSA.

#### **§ 4 COLLECTION 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:

**DSOs share to be paid to:**

Account no: 8380.08.70057  
De Samarbeidende Organisasjoner  
Post box 2000 Vika  
0125 OSLO

**NSA's share to be paid to:**

Account no: 7001.06.26445  
Norges Rederiforbund  
Rådhusgt. 25 – Post box 1452 Vika  
0116 OSLO

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

#### **§ 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.

**§ 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 Pension

### PENSION

Pursuant to the minute books of 29 February 2016 and 23 August 2016, the parties agree to amend the existing pension schemes from 1 August 2016 and tentatively 1 January 2018, respectively. The adjustment is described in more detail in the minute books enclosed with this appendix.

#### Employees on mobile facilities

##### **Norwegian Shipowners' Association's Supplemental Pension Scheme (NRT scheme)**

Starting from 1 January 1994, a supplemental pension scheme was introduced for employees aged between 60 and 67 on board the mobile facilities. The annual retirement pension, together with the pension from the Pension Insurance Institution for Seamen (PTS), will constitute approx. 60% of final pay after 30 years' membership in the scheme. The right to supplemental pension has no impact on the seamen's right to work after reaching age 60.

#### Notes

In this context, "final pay" is scale wages + night allowance as a result of the working hours scheme on the facility.

If the Storting (Parliament) adopts a new PTS with a retirement age of 62, in line with the proposal from the Seamen's pension committee (NOU 2014: 17), the parties agree that the companies can close the NRT scheme as of 1 January 2018 and that it will be replaced by the ordinary AFP joint scheme in the private sector (see minute book of 29 February 2016 for details).

Employees hired after 1 August 2016 shall not be enrolled in NRT, unless required by the Financial Supervisory Authority. The rules for enrolment in PTS follow from the Act relating to pension insurance for seamen.

##### **Norwegian Shipowners' Association's occupational pension scheme**

Starting from 1 August 2016, the occupational pension scheme shall be a pension scheme pursuant to the Act relating to defined-contribution pension schemes, in which the company pays in 3% of wages up to 7.1 G <math>G = \text{basic amount of the Norwegian national insurance}> and 15% of wages between 7.1 and 12 G (see minute book of 29 February 2016 for details).

## Comments

In this context, "Wages" are scale wages + night allowance as a result of the working hours scheme on the facility.

Employees who, at the time of transition from the old to the new occupational pension scheme, are subject to a reduced pension benefit estimate, will be entitled to a compensation from this employer. Further details about the transitional scheme are available in the enclosed minute book.

## **Employees on permanent facilities**

Employees on permanent facilities must be enrolled in the ordinary AFP scheme in the private sector (LO/NHO scheme) and have rights under this scheme.

## **Norwegian Shipowners' Association's occupational pension scheme**

Starting from 1 August 2016, the occupational pension scheme shall be a pension scheme pursuant to the Act relating to defined-contribution pension schemes in which the company pays in 3% of wages up to 7.1 G <math>G = \text{basic amount of the Norwegian national insurance}> and 15% of wages between 7.1 and 12 G (see minute book of 29 February 2016 for details).

## **Endowment pension – transitional scheme**

The parties agree that those who are employed under this agreement as of 1 June 2004 and who, as of 1 June 2006\* have reached age 50, shall be ensured a supplementary payment to AFP or to the Seamen's pension and supplemental pension, which entails that employees who retire at age 60 shall receive a total benefit that is at least equal to AFP plus 1G, but limited to 66% of scale wages. This scheme will be secured through an insurance company. The scheme also applies to new employees in the same age group as those who are covered under this scheme.

\*Pursuant to the minute book from the 2013 wage settlement, the transitional scheme is automatically extended for up to an additional two years (i.e. reached age 50 as of 1 June 2008) or from such date as a new seamen's pension enters into force, whichever occurs first.

Entitlement to rights under this scheme requires the employee to be employed and a genuine employee subject to this agreement. The employee must moreover:

1. have reached age 60
2. have been employed in the company for the last three years, or have had five previous years of service under this agreement at the retirement date.

Employees that resign from a company with this scheme may not:

1. accept work in a competing enterprise offshore after resignation
2. have wage income greater than 2G after resignation

Note:

The right to this scheme also applies to employees that have been terminated with right of reinstatement, who are re-employed during the period in which the right to reinstatement applies, presuming that the terms and conditions mentioned above are fulfilled.

The main rule is that employees shall be in their ordinary jobs at the time of retirement. Employees who must leave work due to illness are still considered to be employed in the company through the entire sick pay period – max. 52 weeks.

### **Pension committee**

The parties agree that issues relating to pension will be dealt with in the multipartite Pension committee.

### **Pension schemes for foreign employees (Minute book as of 19 November 1999)**

The parties agree on the principle that the companies' overall pension payments shall, on average, be the same for foreign employees as for Norwegian employees.

The parties agree as follows:

The total pension expenses for foreign employees in the current collective wage period shall amount to 15% of scale wages for the individual employee. The percentage is based on the estimated average cost for Norwegian employees, which currently comprises the premium to Seamen's pension, supplemental pension, the "age 62 scheme" and occupational pension.

The employee/trade union representatives in the company shall participate in discussing the company's pension payments and investments in this connection. The parties note that this may sometimes raise extremely complex issues, both legally and financially, and recommend that the companies make use of advisers in this process.

The parties agree that the fixed percentage rate shall cover all of the companies' costs associated with establishing and operating pension schemes for the foreign employees, including establishment costs, operating costs and any tax liability or lack of deductions on the company's part, viewed in relation to the Norwegian schemes.

Note

The pension rates for foreign employees, which currently amount to 9% of scale wages, are adjusted to 15% as of 1 June 2012. The company must be able to present documentation of this upon request from the employee/trade union representatives. The rate is adjusted in connection with establishment of a new future seamen's pension and other pension schemes under the agreement, so that the new percentage rate reflects the actual average cost for the overall solutions. This work is done by the established pension committee.

## **Appendix 3 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 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 manpower companies (temporary labour agencies)**

##### **1.3.1**

When hiring workers from manpower companies/temporary employment agencies the Working Environment Act § 14-12 applies.

##### **1.3.2**

Employees in manpower companies/temporary employment agencies shall, for the duration of the contract, have the same wages and working conditions which applies in the company hiring in related to the WEA § 14-12 a. (proposal in Prop 74L).

This provision means that pensions are not covered by the equal treatment principle. If the manpower company/ temporary employment agency is not encompassed by the agreement between LO and an employers' association the

common Appendices 1, 2, 3 and 4 in the Rig Agreement does not apply, the same applies for Basic Agreement Chapter 14 relating to deduction of union fees.

### **1.3.3**

The hiring company is obliged to provide the manpower company / temporary employment agency with the required information so the provision of equal treatment required by section 1.3.2 can be met, and to commit the manpower company / temporary employment agency to this requirement.

Upon request from the shop stewards the company shall document the current wage and working conditions that apply at the manpower company/temporary employment agency when the contracted employees work within the scope of the Agreement.

### **1.3.4**

Chapter 4 of the basic agreement also applies for employees hired in, with the following exceptions: If the company hiring out is subject to the Basic Agreement between SAFE and NSA and IE/LO and NSA, disputes related to wage and working conditions of the hired person is a matter between the parties in the company hiring out. Shop stewards and representative from the part hiring in may upon request assist in the negotiations with information on the agreements in the company hiring in.

If the manpower company / temporary employment agency is not subject to the Basic Agreement between SAFE and NSA and IE/LO and NSA the shop stewards in the company hiring in can address the company hiring in on allegations of breaches of the principle of equal treatment in section 1.3.2 so that the company hiring in can clarify and eventually correct the situation.

Workers hired in shall be introduced to the shop steward in the company hiring in. The local parties whilst discussing hiring in, shall also discuss resources for shop stewards work cf. Basic Agreement IE/NSA section 4.17, Basic Agreement SAFE/NSA 4.6

### **1.3.4**

#### **Note:**

Items 1.3.2, 1.3.3 and 1.3.4 to be implemented at same time as the changes in the Act takes place, cf. Prop 74L (2011-2012)

### **1.4**

Before hiring is agreed and initiated the company must ensure that the rental company operates in accordance with Norwegian law 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 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.

In companies that regularly employ subcontractors, local parties are encouraged to develop their own procedures for such cases.

## **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 made adequately anonymous 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 of the Basic Agreement and Item 6.4 of the Basic Agreement and Chapter 15 of the Working Environment Act.

### **Appendix 3A Employees of temporary employment agencies**

The provisions in this appendix regulates conditions in manpower companies / temporary employment agencies that are encompassed by the agreement cf. section 1, paragraph 4 of the agreement.

1. This agreement may be implemented as Collective Agreement in manpower companies / temporary employment agencies that have employees who are hired out, and who are performing work subject to the scope of this agreement.
2. Employees shall have a written contract pursuant to the provisions of the Working Environment Act.
3. A written agreement containing all relevant information concerning the nature, content and duration of the assignment shall be issued for all assignments.
4. Termination and dismissal applies subject to the provisions of the Working Environment Act.
5. If the worker is offered employment in the company hiring in, he/she may leave at the end of their notice period, unless the parties agrees otherwise. During the period of notice the worker has the right to continue the work in the company hiring in if the assignment is still in progress.
6. When hiring out to a company that are subject to this agreement, the wage and working conditions applies in the company hiring in, cf. Appendix 5 section 1.3.2.
7. When hiring out to company that are not subject to this Agreement, the wage and working conditions agreed in the company hiring out shall apply as long as these are not in conflict with the requirement for equal treatment in the Working Environment Act.
8. Obligation of remuneration applies according to the employee's contract of employment. At lay-off or termination of employment the Working Employment Act and the Basic Agreement applies.

## **Appendix 4      Joint declaration on local temporary manpower-/ resource pool agreement**

### **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 on board 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.

### **5.1 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.

### **5.2 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.

### **5.3 Partial 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.

**Basic Agreement**

**BASIC AGREEMENT**

**Between**

**THE NORWEGIAN SHIPOWNERS' ASSOCIATION**

**and**

**DE SAMARBEIDENDE ORGANISASJONER**

**Norwegian Union of Marine Engineers/Norwegian Maritime Officer's  
Association**

First agreement of March 16<sup>th</sup> 1984 between DSO and Norwegian Association of  
Drilling Contractors last renewed on 13<sup>th</sup> Dec 2010

**Chapter I**

**Freedom of association**

*1.1 Freedom of association*

The parties mutually recognise the freedom of association of employer and employees.

Well-organised industrial relations are a strength to workers' and employers' organisations and to society as a whole. By virtue of the broad interests they represent, the Norwegian Federation of Trade Unions and the employers' organisations ensure a comprehensive societal view.

In order that DSO and the Norwegian Shipowners' Association can fulfil their functions, it is essential for them to have a broad basis of support. The Basic Agreement and the Act relating to labour disputes lay down the democratic rights

of the organisations. A central principle in national and international legislation in the field of labour law is the right of workers and employers to organise and, through collective agreements, to safeguard their interests.

In order that unionised workers and organised employers shall be ensured broad support and thus be able to fulfil their functions as central players in society, it is of vital importance that, in situations of negotiation and conflict, respect is shown for the organisations' interests and that neither party acts in a way that could weaken the other's position.

## **Chapter II**

### **The right to negotiate and industrial peace**

#### *2.1 Ban on labour conflicts*

Where a collective agreement exists no stoppage of work or other labour conflict shall take place. In the event of a dispute regarding the understanding of a collective agreement or demands based on a collective agreement, the matter shall be referred to the Industrial Disputes Court for settlement if the parties fail to reach agreement under the provisions of sections 2.2-2.4.

#### *2.2 Local settlement of disputes*

Any disagreement shall primarily be resolved at the lowest possible organisational level. Disputes between a company and its employees shall primarily be resolved by negotiation between the company and the company shop stewards. From these meetings minutes of the proceedings shall be taken and signed by both parties.

#### *2.3 Local negotiations between organisations*

If no agreement is reached by negotiations under section 2.2, the parties to the collective agreement or, where relevant, both main organisations may agree to continue negotiations locally after summoning a responsible representative of each organisation.

#### *2.4 Dispute negotiations between organisations*

If no agreement is reached through negotiations under section 2.2 and 2.3, or if no such negotiations take place, or in the event of a dispute between organisations, each of the parties is obliged to refer the dispute to the relevant union or to the Norwegian Confederation of Trade Unions and the Norwegian Shipowners' Association or any subordinate organisation authorised by these.

#### *2.5 Contact with the members of the opposite organisation*

The main organisations or their subordinate organisations are not permitted to make direct contact with the members of the opposite organisations regarding wage and working conditions except as agreed with the opposite organisation.

### 2.6 *Time limits for negotiations*

Negotiations, centrally or locally, shall be held as soon as possible following a written request for negotiations by one of the parties, though no later than 14 days following such request.

### 2.7 *Language of negotiations*

Unless otherwise agreed by the parties, all written contact between parties, and negotiations at which minutes are taken, shall be held in the Norwegian language. This shall not prevent representatives taking part in negotiations from using a language other than Norwegian, but in such events a translation shall be provided immediately.

## **Chapter III**

### **The number and election of shop stewards**

#### 3.1 *Site shop stewards*

Site shop stewards for unionised employees may be elected at any place of work where DSO has members. One site shop steward may be elected for every 15 members, though with a minimum of 3 shop stewards. The site shop stewards may form their own group committee consisting of 3 persons.

#### 3.2 *Trade union*

In a company or a group of companies with employees unionised in DSO, irrespective of whether operations are covered by the present basic agreement, DSO may establish one or more trade unions with the right to negotiate under Chapter II.

#### 3.3 *Company shop stewards*

The members of the union committee shall be regarded as company shop stewards.

#### 3.4 *The executive committee*

The chairman, deputy chairman and secretary of the union shall represent the union vis-à-vis the company and shall be termed "the executive committee".

#### 3.5 *Studies' adviser*

Among the members of the union committee a studies' adviser may also be elected to be responsible for vocational training in consultation with the company management, as well as occupational information activities. The studies' adviser shall be consulted before any training scheme is commenced.

#### 3.6 *Shop stewards for gender equality and social welfare*

A shop steward for gender equality and for social welfare may also be elected from among the union committee members. Where a shop steward for social welfare is

elected, this person shall assist employees in matters of social welfare relating to conditions within the company/group of companies.

### *3.7 Size of the union committee*

The union committee shall consist of 3 members when representing up to 50 members, and a further member for every commenced 50 members.

Where the company consists of only one place of work and where, consequently, no site shop stewards are elected, the union committee shall consist of 3 members when representing up to 50 members, and a further member for every commenced 15 members.

A union committee shall have no more than 12 members.

### *3.8 Works council*

Where a group of companies consists of units which are not covered by the union's field of organisation, a works council may be established, consisting of shop stewards for the units constituting the group. In groups of companies having more than 200 employees in Norway, on the Norwegian continental shelf or on Norwegian-registered offshore units abroad and where DSO has members, one of the shop stewards in the group's companies may be elected as group shop steward. The group shop steward has the same rights and obligations vis-à-vis the group as the company shop stewards have vis-à-vis the company.

Entered in the minutes:

For the purpose of this agreement group of companies means an association of legally and/or administratively independent entities (e.g. limited liability companies and/or divisions) which financially, and in part administratively and commercially, form entities.

### *3.9 Persons eligible as shop steward*

Shop stewards shall be elected from among employees of recognised ability with experience and insight into working conditions. They shall, as far as possible, be elected from among employees having worked for the company for the past two years. Shop stewards shall be over 20 years of age.

Employees who, to any particular degree, are to represent the employer may not be elected as shop steward – e.g. employees holding positions of special trust as a superior manager within the company, personal secretaries to company executives, or employees who are to represent the employer when negotiating for or determining wage and working conditions for subordinate personnel, may not be elected as shop steward for subordinate personnel.

### *3.10 Shop stewards terminating employment*

If a site shop steward terminates his employment at the workplace where he has been elected, he shall cease to function in this capacity. The same applies to a company shop steward who terminates his employment with the company.



### *3.11 Notification to the company of the shop stewards elected*

The company shall, within 14 days, be notified in writing of the names of the persons elected as shop stewards. An employee cannot claim to be recognised as shop steward until such notification has been given. Until notification of a new election is received, the previously elected shop stewards will be regarded as shop stewards. Employees may not elect other persons to act in place of the elected shop stewards in matters, which are the responsibility of the shop stewards.

### *3.12 The term "shop steward"*

Where the term "shop steward" is referred to in this Basic Agreement, it means shop steward elected in accordance with this chapter.

### *3.13 For Platform Managers*

The Basic Agreement sections about "shop stewards" do not apply to Platform Managers, but in companies where DSO has several Platform Managers a contact person can be elected among the Platform Managers who is member of DSO.

The contact person can represent the Platform Managers in the company in questions relevant for the majority of the Platform Managers or the Platform Managers as a group. The company shall be notified when a contact person is elected.

## **Chapter IV**

### **Rights and obligations of employers and shop stewards**

#### *4.1 Joint declaration of the main organisations concerning shop stewards*

The parties agree that it is of vital importance for good relations at the workplace that co-operation between representatives of the company and shop stewards is kept in a rational and proper form and that the shop stewards are enabled to fulfil their tasks under the Basic Agreement and applicable legislation and as shop stewards for their unions in an efficient manner. With reference to this the parties agree that the necessary arrangements shall be made to enable shop stewards to carry out their work in that capacity. For this purpose, and if so desired by a party, an agreement shall be made regarding the conditions that are to apply for shop steward work. Reference is made to section 4.17 for the conditions for shop steward work under this provision.

The parties emphasise the importance of both employees and employers' representatives having the best possible qualifications for discussing co-operative matters. The parties will endeavour, within their respective membership areas, to qualify their representatives through information and training activities for the tasks incumbent on them under the Basic Agreement.

#### *4.2 Transfer of shop stewards*

Transfer of shop stewards shall take place only when necessary for operational purposes. Before a change is implemented the shop steward concerned and the union shall be informed of the change and the reasons for the change.

In the event of permanent transfer, the shop steward in question and the union shall be informed of this change and the reason for it, no less than four weeks prior to transfer, in order that any disagreement may be entered in the record of proceedings and be discussed with DSO.

#### *4.3 Dismissal or discharge of shop stewards*

Dismissal or discharge of shop stewards shall not occur unless justified by valid grounds. Matters arising in connection with the legitimate activities of shop stewards as elected representatives are not considered to be valid grounds. In addition to seniority and other causes, which it is reasonable to take into consideration, special account shall be taken of the special position held by the shop steward in the company.

#### *4.4 Rights of shop stewards*

The employees' shop stewards in the company are recognised as representatives and spokesmen for unionised employees. Shop stewards have the right to deal with and seek to settle amicably any grievance which an individual employee might have against the company or which the company might have against an individual employee.

#### *4.5 Induction of new employees*

The management shall inform the executive committee when new employees are hired. The employers local representative shall introduce the new employee to the shop steward at the workplace as soon as possible.

New employees shall, as soon as possible, be introduced to the union leader and/or to the company shop stewards.

If the company organises meetings for new employees the trade union shall be allowed to introduce itself. The company shop stewards shall every month, upon request, be provided with a list of employees within the relevant field of agreement in the company. The list shall contain names, workplaces and times of appointment.

#### *4.6 General meetings and notices*

Company shop stewards shall, as early as possible, receive advance notification of matters regarding working conditions which the company wishes to bring to the attention of the whole workforce or parts of the workforce by meetings or notices.

#### *4.7 The right of company shop stewards to oblige employees*

Company shop stewards have the right to oblige employees in matters concerning the whole workforce or groups of employees insofar as this does not conflict with a collective agreement. The company shop stewards are assumed to submit the matter to

their fellow workers, if they consider it necessary, before making a decision on the matter. The company shall receive a reply without undue delay.

#### *4.8 Duties of shop stewards and employers*

The shop stewards, the employer and any person acting on behalf of the employer vis-à-vis the employees are required to do their best to maintain peaceful and effective co-operative relations at the workplace. This applies during working hours and during conferences between the company and the shop stewards, when reporting facts to the respective organisations, when informing colleagues and in conduct vis-à-vis the organisation of the opposite party. The same applies during the discharge of any other function as shop steward.

Like the employer, the shop stewards shall ensure that the duties of the parties according to the collective agreement, work regulations, and applicable legislation are observed insofar as these duties have not been expressly assigned to other bodies. It is therefore inconsistent with the duties of the employers and the shop stewards to incite to or participate in unlawful conflicts. Shop stewards are also not allowed to abandon their duties in connection with such conflicts.

#### *4.9 Procedure to be followed by shop stewards*

When shop stewards have a matter to discuss, they shall address themselves direct to the employer or the employer's representative at the workplace.

#### *4.10 Access of company and group shop stewards to the company, and their right to leave work*

Company and group shop stewards shall have unimpeded access to company's workplaces/departments insofar as this is necessary to carry out their duties as shop stewards. As far as possible the company shall contribute to such access being given, including a helicopter seat to/from the unit. They shall notify the manager of the workplace/department of the person(s) they wish to talk to. If they have to leave their workplace, they shall ensure that their immediate superior is notified of the reason for this.

#### *4.11 The right of site shop stewards to leave work*

Site shop stewards shall also be allowed to perform their duties unimpeded. For this purpose, and with the permission of their immediate superior, they may leave their workplace.

#### *4.12 Meetings during working hours*

When site shop stewards, by agreement with the local management, or the company shop stewards, by agreement with the company, are of the opinion that matters of special importance concerning the individual workplace or company require immediate action, permission shall be given to hold meetings during working hours without wage deductions, unless work-related considerations of special importance prevent it. If the local management and/or the company refuse a request to hold meetings as referred to in this section, the shop stewards may demand a written justification for the refusal.

#### *4.13 Access for representatives of DSO*

When representatives of DSO seek access to a workplace to perform duties relating to the collective agreement, the company shall facilitate such access whenever possible. This is without prejudice to the provisions of section 2.5. The parties shall agree on the persons to be regarded as representatives of DSO for such purposes.

#### *4.14 Leave of absence to participate in negotiations, meetings, courses, to hold public office etc.*

The shop stewards in the company and the employees having commissions within trade unions shall not be refused leave of absence without compelling reasons when they are summoned to meetings and negotiations by their union or when they are to participate in vocational training courses or other informative union activities, including participation in union delegations or to lecture at, or act as leader of, courses for shop stewards conducted by the organisation. The same applies to employees who are to hold public office, when these duties cannot be performed outside working hours.

Employees who are to be trained for commissions as referred to above shall also be given leave of absence to a reasonable extent to attend vocational training courses or other vocational information activities. Requests for leave of absence under the above provisions shall be made to the company management as early as circumstances permit.

The parties strongly emphasise the importance of making such requests to the company as early as possible to make it possible to obtain a substitute worker, among other measures.

All shop stewards must show due care to ensure that operations do not suffer damage and that the regular operation of machinery is not stopped.

Employee representatives on the company's board are entitled to leave of absence for training in board-related work for up to one week pursuant to the Limited Liability Companies Act / The Offshore Board. The elected representative must be compensated for loss of income in connection with courses approved by the company.

#### *4.15 Leave of absence to take commissions in the trade union*

In companies where conditions permit, employees who are elected or engaged to a paid commission in the trade union are entitled to unpaid leave of absence for the period for which the worker is elected.

#### *4.16 Representation of the parties at negotiations*

In connection with negotiations with shop stewards the employer may meet in person or be represented by a deputy appointed by him from members of the company management. The employer or his deputy may summon other representatives of the management to take part in the negotiations. The shop stewards may summon representatives of the employees concerned and group shop stewards in matters

relating to the group of companies. Where there is only one shop steward, or only one shop steward is present, he may bring another employee with him to the negotiations.

#### *4.17 Working conditions and remuneration for shop stewards*

The conditions applying to shop steward activities shall be in accordance with the volume of work. In discussions under this section consideration shall be given to the possibilities of the workplace, the size, structure, form of operations and technical nature of the company, information and communication technology equipment, organisational affiliation, area of collective agreement etc.

Shop stewards shall have access to information and communication equipment to the extent that is common at the workplace. On units where more than 50 workers are unionised by DSO the necessary arrangements shall be made, where practicable and according to further agreement, for the site shop stewards to have a separate workstation/office space.

Shop stewards shall have the time necessary to carry out their tasks in accordance with the Basic Agreement during normal working hours with no loss of income. The commission as shop steward shall not cause the person concerned in full time/halftime employment to have a lower income (including overtime) than what is common for the group of workers from which the shop steward comes from.

Time off with no loss of income shall be given for meetings between representatives of the company and shop stewards, and for other tasks incumbent on the shop steward under the Basic Agreement, which take place during their working hours. When such meetings take place during the leisure time and in off-duty periods of offshore employees, the minimum amount under section 9.2 of the agreement for mobile offshore units on the Norwegian continental shelf shall be paid. In such cases the company shall pay transport costs for the necessary travel from and to the place of work and/or the place of residence of the person concerned. If the meeting is organised in such a way as to require overnight accommodation, the company shall cover the costs of the necessary board and lodging. By entering or renewal of a local agreement in the company about work of shop stewards, it is possible to agree upon that it will not be paid overtime bonus as in the mentioned item 9.2 for shop stewards that attend annual meetings and shop steward conferences during leisure time.

Committee members shall be given time off and remuneration according to the above provisions for a minimum of 4 union committee meetings per year.

Under the same rules a union in which employees having their work on a unit are unionised may hold a two-day annual meeting and a two-day shop steward conference during the year. The union committee members and the site shop stewards may attend the annual meeting and the shop steward conference.

If demanded by one of the parties, local negotiations shall be held concerning conditions for shop steward work beyond what is referred to in this agreement and possible compensation for any extra expenses including the question of full time/part-time employment for shop stewards.

Such agreement shall regulate salary/work conditions for the shop steward, together with conditions in relation to travel and, lodging, and practical organisation described in this chapter. If a local agreement is not obtained, each of the parties has the right to raise the case for the main organisations. If an agreement is not obtained among the main organisations a committee shall settle the case cf. 15.3.

Shop stewards in full time/part-time employment shall have the right to return to their former position when they terminate their engagement as shop steward. Upon the shop steward's return to the previous position, the company and the shop steward shall cooperate to make arrangements for the person concerned to gain any qualification necessitated by the development which the position has undergone during the period in question. Seniority, pay and pensions shall be calculated as if the shop steward had been in the position for the entire period during which they served on full-time/part-time. Full-time/part-time shop stewards shall also, based on their experience, competence and seniority, be subject to the same consideration as other employees for employment of personnel (promotion) for higher positions. Such consideration shall be made on an annual basis.

A separate agreement shall be made for shop stewards who are on a duty roster as disposable personnel to achieve the intentions of the above provisions.

A separate agreement shall be made for group shop stewards concerning rights and duties, which are not laid down in the present Basic Agreement. The agreement may contain provisions regarding terms and conditions of employment, employer's responsibilities, conditions of pay and elections/terms.

Serving as shop steward shall not involve a reduced income for the shop steward on full-time/part-time (pay according to 1.460 hours annually plus an additional increment of 7% on wage scale), together with all fixed increments and night bonus, compensation for meetings and consultations, and fixed and variable increments according to the agreement). Loss of overtime and remuneration for extra work shall be compensated by an increment of at least 12 %.

Shop stewards on full-time/part-time shall, when working ashore, be permitted to use their working hours. Their annual working hours shall nevertheless correspond to those of the company's shore administration, unless the company and the shop stewards agree otherwise.

#### *4.18 The representative of the employer at the workplace*

The senior manager of the company at the workplace is the representative of the company to whom shop stewards may address requests unless otherwise announced. If the senior manager or the appointed representative is not immediately able to make a decision on the matter because he wishes to make further inquiries, he shall make such inquiries immediately.

#### *4.19 The representative of the employer in the company/group*

In a company/group consisting of several places of work a representative shall also be appointed from the central company management as liaison between the employer and

the company shop stewards. The company shall give the chairman of the local union written notification of the name of the representative.

#### *4.20 Authority to negotiate*

The representatives of the company and the employees shall have the authority to conduct real negotiations, ref. sections 4.4 and 4.19 above.

#### *4.21 Shop stewards or employer's representative guilty of serious breach of the Basic Agreement*

If a shop steward is guilty of serious breach of his duties under the Basic Agreement, NSA may demand of DSO that the person concerned resigns as shop steward. If DSO do not find the demand justified, the dispute shall be settled by the Industrial Disputes Court. If a shop steward is consequently required to resign, it is the duty of the employees to elect a new shop steward immediately.

If the employer's representative is guilty of serious breach of the Basic Agreement, DSO may demand of NSA that he resigns as the employer's representative vis-à-vis the employees. If NSA does not find the demand justified, the dispute shall be settled by the Industrial Disputes Court. If the person concerned is required to resign as the employer's representative vis-à-vis the employees, it is the duty of the employer to appoint a new representative immediately. This is without prejudice to the responsibility and authority of the platform manager under current legislation.

## **Chapter V**

### **Co-operative relations**

#### *5.1 Objective*

In this agreement the parties have laid down provisions intended to facilitate co-operation between the company and the employees. It is vital to the employees collectively and to the individual that the solidarity between the employee and the company is strong and alive, and this is also a necessary precondition of efficient operations. To achieve such solidarity it is important to have appropriate forms of discussion of common problems and of mutual information regarding issues of interest to the company and its employees.

Through co-influence and co-operation the employees, by virtue of their experience and insight, shall contribute to increased efficiency, reduced operating costs, improved competitiveness, reduce impact on the environment and, within the framework of current government regulations, create a more satisfactory place of work and a working organisation which is efficient and meets the human need for self-development. They will thereby also contribute to creating the economic conditions for the company's continued development and for secure and good working conditions to the benefit of companies and employees alike.

It is vital to the individual company that the parties, through discussions, find practical forms of co-determination and co-influence in accordance with the intentions and provisions of government laws and regulations and the agreements.

## 5.2 *Regular information to the employees*

The company management shall keep the employees informed on a regular basis of matters directly related to their workplace and day-to-day operations.

## 5.3 *Establishment of working groups etc.*

When working, project and steering groups are established and such groups are not a permanent part of the organisational structure, the employees concerned shall be ensured real influence. Shop stewards shall be ensured real influence on the composition and mandate of the group.

## 5.4 *Co-operation on action for persons handicapped in the choice of occupation*

The employer shall co-operate on action under section 13 subsection 5 of the Working Environment Act with any person handicapped in the choice of occupation and, providing that person agrees, with shop stewards and any rehabilitation committee in the company.

## 5.5 *Discussions and meetings regarding conditions in the company*

The company management shall, as early as possible, discuss matters regarding the financial and operational position and development of the company with the union's executive committee, matters directly related to the workplace and day-to-day operations, the use of leased labour, the contracting-out of work, and the general wage conditions in the company. Furthermore, the company shall discuss with the executive committee any reorganisation which is of importance to the employees and their working conditions, including important modifications of production routines and methods, issues regarding employment, including plans for expansion and reduction, merger, division, total or part sale of activities, closure or legal reorganisation.

## 5.6 *Monthly meetings*

Meetings under section 5.5 shall be held as early as possible and at least once per month unless otherwise agreed, and otherwise when requested by shop stewards.

## 5.7 *Information to the shop stewards of subcontractors*

The company shall also ensure that the shop stewards of any subcontractors receive the same information as referred to in section 5.5.

## 5.8 *New owners of the company*

The company management shall ensure that meetings are held between shop stewards and the new owners to discuss the take-over and whether the collective agreement is to remain in force. If the management considers closing down the company, the possibility of continuing operations, including the question of the employees taking over operations, shall be discussed with the executive committee of the union.

When a limited liability company changes owners, the management, as soon as it receives reliable information, shall inform the shop stewards if the acquirer takes over more than 1/10 of the share capital or shares representing more than 1/10 of the votes



in the company, or becomes the owner of more than 1/3 of the share capital or shares representing more than 1/3 of the votes. The management shall ensure that the new owners inform the employees of their plans as soon as possible.

### *5.9 Co-operation in groups of companies*

If plans for expansion, reduction or restructuring may also significantly affect employment in companies within a group, the group management shall discuss these issues as soon as possible with a co-ordinating committee of shop stewards in the group, irrespective of whether the companies are bound by a common agreement. The group management may summon representatives of the management of the companies concerned. Such discussions shall also be held regarding issues relating to the financial and operational position and development of the group.

Representatives of the employees shall be given the opportunity of presenting their views before the group management makes its decisions. In cases where the group management finds it impossible to take the views of the employee representatives into account, it shall state its reasons for not doing so. Minutes of the discussions shall be kept and shall be signed by both parties.

### *5.10 European Works Council*

The parties also agree that liaison and co-operative arrangements are needed in enterprises or groups of companies with operations in several countries. Reference is made to the rules concerning European Works Councils etc.

Reference is made to the at any time valid regulations on European Works Councils.

### *5.11 Liaison meetings with the board of the holding company*

In a company owned by an enterprise (Limited Liability Company, co-operative society etc.) a liaison meeting shall be held between the board and the shop stewards when so requested, unless the parties agree on a different arrangement. The purpose of these meetings is to promote co-operation and mutual trust by discussing matters of interest to the company and its employees and to allow shop stewards an opportunity of presenting their views directly to the owner's representatives on the board. As many board members and shop stewards as possible should attend these meetings. The manager of the company or his deputy shall convene, organise and attend the meetings. The meetings shall not impinge on the rules for the settlement of disputes, ref. Chapter II. Summaries of the meetings shall be written and signed by the parties.

### *5.12 Disclosure of the company accounts*

The accounts of the company shall be submitted to the shop stewards when they so request. The annual report and accounts shall be submitted to the shop stewards immediately after being adopted. The shop stewards shall also be allowed to examine matters relating to the financial position of the company insofar as the shop stewards need such information to safeguard the interests of the members. If a company introduces a wage system, which requires insight into financial matters of relevance to the system, the shop stewards shall have access to information enabling them to gain such insight. The same applies to a wage system based on job evaluation. In these cases the shop stewards shall be involved in the preparation of the criteria for such a

system. If the shop stewards wish to employ an external advisor, the company management shall be informed. Shop stewards may raise the question of whether the company is to pay the expenses in full or in part. If the shop stewards, in agreement with the company, employ an advisor when examining accounts, annual reports etc., the person in question shall have access to the necessary records and information. If the advisor has access to confidential information, this information shall not be used for purposes beyond the assignment.

Accounts mean accounts required to be submitted to the authorities and/or shareholders. The company may, if necessary, require the company shop stewards to observe professional secrecy regarding information they receive about the financial position of the company under section 5.12 second sentence. Such professional secrecy shall be observed also in respect of the shop steward's members.

### *5.13 Purpose of the obligation to inform*

The parties refer to the fact that the obligation to inform under the present chapter is based on the natural requirement of the employees to be informed of their future working situation and the possibility of their shop stewards to safeguard their interests in this respect. The main organisations would therefore emphasise the necessity of the parties in the individual companies taking this obligation to inform seriously.

## **Chapter VI**

### **Employment**

#### *6.1 Working conditions, dismissal and discharge of the employees*

Before making decisions in matters relating to workers employment and working conditions the issues should be discussed with the union representative.

In case the management finds itself unable to take into account the representatives arguments, it shall give reasons for their view. Protocol from the meeting shall be drawn up and signed by both parties.

If a company wants to implement such changes in existing working conditions, and DSO claims this will be in conflict with the agreement, DSO can without undue delay bring forward to NR the question of postponing the implementation until the negotiation meeting between the main organizations are held. Such meeting shall be held within one week after a written requested.

In cases covered by this paragraph, the executive committee shall be informed of the reason for the changes and the legal, financial and occupational consequences the changes are believed to have for employees.

Before the employer decides to dismiss or discharge an employee, the matter shall, if practicable, be discussed with the employee and the shop steward, provided the employee has no objection. Dismissal in connection with reductions shall in any circumstance be discussed with the shop stewards.

## *6.2 Company seniority in cases of reduction of the workforce*

In connection with dismissal as a result of reductions/reorganisation the company seniority rule shall be followed under otherwise equal conditions. If the company, in connection with reductions of the workforce, finds reasons to depart from the seniority rule and the shop stewards find these reasons to be invalid, the matter may be subject to negotiations between the organisations. If the shop stewards, within 3 days after the conference, request negotiations, the disputed dismissals shall be deferred until negotiations between the organisations have been held.

## *6.3 Period of notice in the event of insufficient information*

If the obligation to inform under Chapters V and VI has not been complied with according to what is relevant to the dismissal, an employee dismissed shall be entitled to 2 months' regular earnings as from the date on which the shop stewards were informed of the dismissal even if the employee resigns at an earlier date. If the employee dismissed has a period of notice longer than 1 month until the end of a calendar month, he shall be entitled to not less than 3 months' wages (regular earnings).

## *6.4 Priority in case of new appointments following reductions*

If new employees are appointed during the first year following reductions, the employees who had to resign shall have priority for appointment unless valid grounds exist to depart from this, as laid down in laws and regulations. Previously earned service seniority is retained. The shop stewards shall be consulted in advance in the event of departure from this rule.

## *6.5 Extended working hours for part-time employees*

If the company needs more manpower, consideration shall be given to the wish of any part-time employees to extend their working hours.

## *6.6 Improper conduct on the part of employees*

Employees are under no obligation to work with or under the direction of persons who have shown such improper conduct as to warrant their removal according to prevailing opinions in working life or in society in general. In such events the parties concerned shall discuss the matter as soon as possible. If the parties fail to reach agreement in these discussions, no work stoppage or other industrial conflict shall occur, but the dispute shall be subject to further proceedings according to the rules laid down in Chapter II.

## Chapter VII

### Lay-offs

#### 7.1 *Terms and conditions*

Lay-offs are permitted:

- a) when the parties are agreed in accordance with section 4.7,
- b) when operations have to be totally or partially stopped due to various natural causes or other unforeseeable events,
- c) when the company has no employment and the matter does not come within the scope of item b), and when a ship or offshore unit is docked at yard for more than 30 days,
- d) when a conflict involving some of the company's employees makes it impossible to occupy other employees effectively,
- e) when necessary for the company for other valid reasons.

#### 7.2 *Principles*

Under otherwise equal conditions employees shall be laid off according to seniority in the company within the individual wage agreement area on the Norwegian shelf. This provision does not preclude the use of rotating lay-offs.

Companies which have more than one unit within the same wage agreement area on the Norwegian shelf, and which, if relevant, carry out assignments on more than one unit, shall relocate employees to the other units, if necessary superseding employees having shorter seniority on the other units.

This does not apply if the company at the time of laying-off establishes as probable that the lay-off period will be of shorter duration than 12 weeks. In such cases the lay-off can be effected on the unit in question alone. If at a later stage the lay-off period proves nevertheless to be of longer duration than 12 weeks, the company, unless the parties agree otherwise, shall immediately relocate laid-off workers with the longest seniority, if necessary superseding employees having shorter seniority on the other units.

#### 7.3 *Notice*

In the event of lay-offs the individual employee shall be given 14 days' written notice by registered letter, unless the shop stewards and the company agree on another appropriate arrangement, such as a notice posted in a conspicuous place at the workplace. The term of notice shall be calculated from 2400 hrs. on the day when notice

is given. Lay-offs under section 7.1 item b) shall nevertheless be preceded by 2 days' notice.

The term of notice referred to in the first paragraph of this section does not apply if agreement or work regulations authorise the application of shorter terms of notice. Neither does the term of notice apply to lay-offs due to a conflict at another company or a conflict contrary to the collective agreement at own company. The company is nevertheless required to give as long a notice as possible even in these cases.

The deadline in the above section shall not apply if the agreement or workplace regulations permits use of shorter notice.

The deadline will not apply with lay-off caused by labour dispute in another company or in own company. In such cases the company shall however give the notice as soon as possible.

In the event of non-regulation absence of such extent that it makes it impossible for the company to occupy employees in a financially justifiable way at the same workplace or with other work within the company, the term of notice referred to in the first paragraph of this section shall not apply.

If a layoff period is interrupted and the employee is going back to work for more than four weeks, a new lay-off is considered as a new lay-off period in relation to the provisions on conditions, discussions, notifications, etc. This will not apply when taking on temporary replacements for other employees with legitimate absences. In such cases, the employee shall be given notice as early as possible and no later than three days before the expiry of the working period.

Note:

As long as the unemployment compensation (§ 6-4) is provided in direct correspondence with a working period of until 6 weeks in a lay-off period, the parties agree that the length of the working period without a continued lay-off period shall be considered a new lay-off period will be changed from 4 to 6 weeks.

#### *7.4 Duty to consult shop stewards*

Prior to notice of lay-off being given the shop stewards shall be consulted in accordance with the provisions of this chapter. Minutes shall be taken at the conference, to be signed by both parties. The same applies if the company, when re-instating workers, wishes to follow other rules than those followed when the lay-off was implemented.

When under the rules of section 7.3 first para. employees are to be given notice before the lay-off takes effect, the term of notice does not become effective until after such consultation has been held.

#### *7.5 Form and content of the lay-off notice*

The lay-off notice shall state the beginning of the lay-off period (ref. nevertheless the provisions regarding conditional notice) and how long the lay-off is likely to last. If this is not possible, a time shall be fixed for the necessity of continued lay-off to be discussed with the shop stewards. Such discussions shall be held at least every other month.

## Note

The parties refer to the fact that the institute of lay-off is based on an assumption of limited duration. The parties consequently emphasise the necessity of the company and the shop stewards continuously assessing whether conditions for continued lay-off exist or whether dismissals should be effected.

A notice regarding a conflict at the company (ref. section 7.1 item d)) shall state, as far as possible, which employees will be affected by a possible lay-off, and the individual employees who are laid off shall receive firm notification as well in advance as possible.

### *7.6 Failure to observe terms of notice*

If the company effects lay-offs without observing the terms of notice referred to in section 7.3 first para., it shall pay the employees their regular wages until the expiry of the term of notice.

### *7.7 Attestation of lay-off*

When employees are laid off they shall, upon request, be given written attestation by the employer. Such attestation shall state the reason for the lay-off and, where possible, the beginning and probable duration of the lay-off period.

### *7.8 Employees' association with their employer*

When employees are laid off in accordance with these provisions, they are still associated with the company and have the right and the duty to resume work with the company as long as the employment contract has not been formally terminated according to rules otherwise in force.

### *7.9 Obligation to work during period of notice*

If the company terminates the employment contract during the lay-off period, the employee is obliged to carry out work for the company during that period, unless a new employment contract preventing this has been made. If the obligation to work lapses for this reason, payment for the period of notice lapses as well.

### *7.10 Non-reinstated employee*

If an employee whose employment relationship has not been terminated during the lay-off period is not reinstated at the expiry of the lay-off period, the company is required to pay that employee his wages for the relevant period of notice. If an employee who is laid off for more than 3 months and until further notice resigns to take up another position, he may resign without giving notice.

### *7.11 Notification when re-instating employee having other work*

An employee having other work during the lay-off period shall be given not less than 5 days' notification before being reinstated.

### *7.12 Company shop stewards*

In connection with lay-offs the company shop stewards shall be considered as having the longest seniority for the purposes of section 7.2.

### *7.13 Termination of the employment relationship*

The rules laid down in Chapter 7 shall not prevent the employer or the employee from terminating the employment relationship under rules otherwise in force.

## **Chapter VIII**

### **Leaving certificate**

#### *8.1 Employees leaving as a result of lawful termination of employment relationship*

When an employee leaves a company as a result of lawful termination of the employment relationship, whether this is of his own wish or whether he has been dismissed, regardless of the reason, he shall be given a certificate relating to the time of his employment in the company in accordance with applicable legislation. If the employee so demands, the certificate shall also contain references to the tasks he has had in the company.

#### *8.2 Leaving certificate following dismissal*

An employee who is dismissed is also entitled to a leaving certificate, but the employer may then, without stating the reason, mention in the certificate that the employee has been dismissed. If the employee so requests, the employer shall consult the shop stewards beforehand.

## **Chapter IX**

### **Special agreements**

#### *9.1 Applicability of special agreements*

Written special agreements regarding wages or working conditions made between the company management and the representatives of the employees bind the parties until terminated in writing. This does not apply if the special agreement is contrary to the collective agreement made applicable to the company as a result of negotiations between the organisations.

#### *9.2 Termination of special agreements*

A special agreement may be terminated at any time with not less than 1 – one – month's notice, unless otherwise provided in the special agreement or the collective agreement. Negotiations are assumed to have been held prior to the notice of termination, or negotiations are assumed to have been demanded but have not commenced within 14 days.

### *9.3 Special agreements applying parallel to the collective agreement*

A special agreement, which is agreed or assumed to apply as long as the company's collective agreement is in force, continues to apply in the subsequent period of validity of the collective agreement, unless the parties when revising the collective agreement agree to terminate or amend the special agreement.

If the special agreement has the same period of validity as the company's collective agreement, local negotiations to revise the special agreement may be demanded during the period of validity of the collective agreement. If no agreement is reached, the matter may be brought before the organisations under sections 2.3 and 2.4 of the Basic Agreement. If agreement is still not reached, either of the local parties may terminate the special agreement, with the same period of notice, at the expiry of the period of validity of the collective agreement.

Section 6 subsection 3 last paragraph of the Labour Disputes Act applies correspondingly to the termination of a special agreement applying parallel to the company's collective agreement. The wage and working conditions laid down in the special agreement therefore apply while negotiations and mediation for a new collective agreement is in progress.

## **Chapter X**

### **Safety delegates and senior safety delegates**

#### *10.1 Organisation of safety work*

Safety work shall be organised and carried out in accordance with the provisions of applicable laws and regulations. The work of the elected safety delegates shall be facilitated so that the intentions of the law are complied with.

#### *10.2 Transfer of safety delegates*

Transfer of safety delegates shall take place only when necessary for operational reasons. Prior to such changes the safety delegate concerned shall be informed of the change and the reasons for it.

#### *10.3 Co-operation of safety delegates when several employers are involved*

The safety delegates of shipping companies, operator-, contractor- and subcontractor companies shall co-operate on the solution of problems involving several employers. This provision neither supersedes nor conflicts with the rights and responsibilities of the safety delegate under laws and/or regulations.

#### *10.4 Election and number of safety delegates*

Reference is made to existing legislation for the number, existence and election of safety delegates and senior safety delegates.



### *10.5 Co-ordinating safety delegate in the event of serious offshore accidents*

In the event of a serious offshore accident, and if the nature of the accident is such that public authorities find it necessary to proceed offshore, the co-ordinating senior safety delegate shall be contacted as early as possible and be given high priority for transport to the scene of the accident.

### *10.6 The right of the safety delegate to leave the workplace*

Safety delegates have unhindered access to their safety area. If the safety delegate has to leave his workplace, his immediate superior shall be notified in advance or as soon as possible.

### *10.7 Overtime for safety work during leisure time*

Safety delegates shall be paid overtime in accordance with current overtime rates when required to carry out safety work outside regular working hours. This does not apply to training courses.

### *10.8 Election of co-ordinating senior safety delegate*

In companies having several senior safety delegates one or more co-ordinating senior safety delegates shall be elected. The co-ordinating senior safety delegate shall be appointed by the union where the union organises more than half the employees having the right to vote in an election for safety delegates. If two or more unions together organise the majority, these shall appoint the co-ordinating senior safety delegate. If no union by itself or together with other unions organises half the employees, the senior safety delegates shall elect the co-ordinating senior safety delegate. Persons eligible as senior safety delegate are also eligible as co-ordinating senior safety delegate.

### *10.9 Senior safety delegate in full-time/part-time employment*

Senior safety delegates in full-time/part-time employment are subject to the same conditions and are paid as shop stewards in full-time/part-time employment.

## **Chapter XI**

### **Working environment committee**

#### *11.1 General provisions*

Working environment committees shall be organised and shall function in accordance with applicable laws and regulations. The work of the working environment committees shall be facilitated so that the intentions of current legislation are complied with. The parties emphasise the importance of preventive work for health, the environment and safety in companies.

## *11.2 Representation*

The employer and the employees shall be represented as laid down in the legislation.

## *11.3 Remuneration for meetings in the working environment committee*

When meetings in the working environment committee and other meetings with the employer relating to the position as working environment council representative are held during the regular working hours of a member, no deductions shall be made in the wages of that member. For meetings held during the leisure time of the individual members, the person concerned shall be paid as for safety meetings under the collective agreement. Where such meetings fall within the leisure period of offshore employees, overtime remuneration shall be paid for the time actually spent, but no less than 4 hours.

## **Chapter XII**

### **Training and leave of absence for educational purposes**

#### *12.1 Working environment training*

Employees' representatives on working environment committees, safety delegates and first-line supervisors within the individual safety area shall be given training in accordance with this provision. New personnel who are to receive training should commence basic training within 6 months, and in any case within 12 months.

Basic training shall provide training in working methods in safety and environment work, insight into the Working Environment Act and an awareness of factors such as noise, ergonomics, lighting, climate, hazardous substances, work organisation and adaptation, psychosocial matters such as bullying and sexual harassment, and protection against accidents. As far as practicable the training shall relate to the actual working environment of the participants and promote co-operation with safety and health personnel. Training material made jointly by the parties should preferably be used, but other material may be used. All personnel subject to the present agreement shall undergo basic training of at least 40 hours' duration.

Further training shall be given in subjects of special importance to the working environment in the individual company. In this connection special opportunities shall be given for the further training of senior safety delegates.

Every year the working environment committee shall prepare a plan for the environment training in the company, to form part of the company's action programme for improving the working environment. The plan shall include the persons who are to receive training, the sort of training to be given and the persons who are to be responsible for ensuring that training is given. The company management may authorise the working environment committee to determine the implementation of training.

Training shall preferably be given during working hours. If carrying out training during regular working hours involves considerable hindrance to the company, training may take place outside regular working hours. The employer shall cover all expenses in connection with training under the present agreement, such as course expenses, any

daily allowance and travel expenses and loss of earnings. Travel expenses and daily allowance should be kept as low as possible. Employees who are not employed on full time shall receive wages for the number of hours of the course duration. If training takes place during leisure time, wages shall be paid as for regular working hours with no overtime bonus.

### *12.2 Development of human resources*

Supplementary and further training is a particularly important measure to develop the competitiveness of the company.

The individual company shall present its objectives for future development as the basis for identifying the need for human resources. It is the responsibility of the company, in co-operation with the employees, to carry out identification and to initiate any measures. The identification is updated usually once per year. Where there is a gap between the company's present resources and the future needs, this gap is assumed to be bridged by means of relevant training measures or other measures. The costs of supplementary and further training in accordance with the company's needs are the responsibility of the company. The company and its employees are all responsible for adequately bridging any gap in human resources.

### *12.3 Leave of absence for educational purposes*

If education, which is of value to both the person concerned and the company, requires full or partial leave of absence, this shall be granted unless special reasons exist to prevent it.

Employees who have worked for at least 3 years and have been employed by the employer for the last 2 years, are entitled to educational leave in accordance with the Working Environment Act sec 12-11

When applications for such leave of absence are considered, all employees or groups of employees shall be assessed according to the same criteria, including cases when the application is also for financial support.

Applications for leave of absence should be answered within 3 weeks. If the application is refused, the reasons for the refusal shall be stated.

When an employee returns to the company following completed education of up to 3 years' duration, that employee is – if practicable – entitled to a position which is equivalent to the position held by that person before commencing education. If the education is of more than 3 years' duration, a special agreement shall be made regarding the type of work, which the person shall return to.

Employees on educational leave who interrupt their education are entitled to return to work in the company as soon as practicable.

These provisions shall not limit the rights laid down in the Working Environment Act chapter 12.

## **Chapter XIII**

### **Personnel files and control measures**

#### *13.1 Registration of personal data*

Discussions shall be held between the parties in the individual companies regarding the personal data, which the company may register, the method of storing the data and the use of such data. Any registration must be justified by valid considerations. Personnel files shall be treated confidentially. The rules applied must be in accordance with provisions laid down in legislation.

#### *13.2 Design of control measures*

The need for and the design and introduction of in-company control measures shall be discussed in the company. Video surveillance must be justified by valid considerations based on the requirements of the activity in the enterprise under surveillance. Such surveillance should be avoided to the greatest possible extent. The parties should reconsider at regular intervals any control measures implemented. If the company is to implement control measures subject to the Act relating to security firms, an approved security firm shall be used in accordance with the Act.

The parties also refer to the Working Environment Act chapter 9 regarding control measures in the workplace.

## **Chapter XIV**

### **Deduction of union dues**

#### *14.1 Deduction of union dues*

The company shall ensure deduction of ordinary and extraordinary union dues as well as contributions to insurance schemes as agreed by the parties, for the employees unionised in DSO for the period during which they are paid wages. The shop stewards or the union shall provide the company with a specification of unionised employees for whom deductions shall be made. The shop stewards and their organisation are responsible for ensuring that the specification is correct at all times.

#### *14.2 Content of deduction statements*

Wherever practicable according to the company's computer system the deduction statements shall contain the social security identification number (11 digits), name, amount deducted and notes. The space for notes should be used for statements referring to whether the person has joined during the period, left during the period, left for or returned from initial military service/civil defence service, amount deducted so far, transfer to disability insurance, retirement pension or agreed early retirement and/or any other information agreed by the parties. Deduction statements shall be sent to DSO on a monthly basis. When practicable they shall be in alphabetical order and shall be sent on a diskette. For companies having difficulties in fully complying with these rules the parties shall agree on necessary adjustments.

### *14.3 Liability for incorrect deductions*

The parties agree that no financial liability rests on NSA, the companies or anyone employed by the companies for amounts, which have not been deducted due to errors or misunderstandings. DSO may discuss with NSA cases in which a company, in the opinion of DSO, has failed to deduct union dues in accordance with these provisions.

## **Chapter XV**

### **New collective agreement during the period of validity of the collective agreement**

#### *15.1 New companies within NSA*

Companies which with all or parts of their operations join NSA during the period of a collective agreement become subject to the existing agreement between DSO and NSA for the same category of operation if NSA or DSO so demand. For the purpose of determining the category of operation the operational and working conditions as well as the performance of the work shall be taken into account. The designation of the company shall not be decisive, as the main purpose is to adopt the collective agreement which is most suitable to the company in terms of production and sector of industry.

NSA shall as per February 1<sup>st</sup> each year submit an updated list of member companies that have operations within the scope of the parties collective agreements and specify which companies the Agreement(s) are applicable to.

#### *15.2 Non-conformity with the collective agreement made applicable*

Where the wage rates of the collective agreement in question cannot be applied immediately and naturally, or in the absence of wage rates for some categories, or where special conditions require the inclusion of provisions which do not exist in the collective agreement made applicable, negotiations shall be held between the organisations.

#### *15.3 Arbitration committee*

If the parties fail to reach agreement as laid down in sections 15.1 and 15.2, the matter shall be decided by a committee consisting of one representative of each of the parties and an impartial arbitrator appointed by the parties jointly. If these fail to reach agreement the Chief State Mediator shall appoint an arbitrator.

#### *15.4 Modifications to the nature of operations*

The above rules (sections 15.1-15.3) also apply if the consequences of modifications to the nature of operations, to the nature of the performance of the work or to working conditions are such that the current collective agreement is no longer the agreement which is most suitable to the company.

### *15.5 Absence of applicable agreements*

If the parties or the committee find that none of the collective agreements invoked is applicable, the dispute shall be settled in accordance with section 6-3 of the Labour Disputes Act.

### *15.6 Company bound by special agreement when joining NSA*

If under Norwegian law a newly joined company is bound by a special agreement, this agreement shall apply until its termination. The company shall ensure that the special agreement is terminated as soon as possible.

## **Chapter XVI**

### **Conflicts**

#### *16.1 Work stoppage/termination of employment*

In connection with revision of the collective agreement or notice of work stoppage/termination of employment in accordance with the Labour Disputes Act, NSA and DSO will accept as valid notice of stoppage/termination for the employees an exchange of notice between both organisations or their associated unions, when the main organisations have been notified of the notice. Both parties undertake to give not less than 14 days' notice. The form and content of the notice of stoppage/termination shall be in accordance with section 28 of the Labour Disputes Act.

#### *16.2 Stoppage/termination of employment for units outside Norwegian territory*

For units, which are not situated in a Norwegian port, in Norwegian territorial waters or the part of the continental shelf under Norwegian sovereignty notice of termination/stoppage may be given only when the stoppage has otherwise become effective in accordance with the rules of the next section. Notice of termination shall then be not less than 14 days. This provision does not apply when there are no units with operational crew subject to this Basic Agreement in the area in question at the relevant time.

#### *16.3 Scope of stoppage*

DSO undertakes not to effect any stoppage for employees serving as platform manager. Nor may stoppage be effected for units outside North European waters (south of Brest).

#### *16.4 Exchange of information in the event of stoppage/termination of employment*

At the request of the company the shop stewards in the individual company or DSO centrally shall give, within 48 hours, a comprehensive statement of who is subject to the stoppage. DSO may for this purpose require a complete list of employees subject to the agreement. The statement is final unless the parties agree otherwise.

### *16.5 Commencement of work stoppage*

The work stoppage becomes effective from 2400 hrs. on the day for which it has been announced.

### *16.6 Transport ashore during work stoppage*

Those who are subject to the stoppage and who are on board a unit are not entitled to go ashore until this may be arranged at the earliest convenience without extra transport costs, but by the expiry of their regular stay period at the latest. They shall be catered for in the usual way until their departure from the unit.

For the employees working on closing down the platform, the employer will cover homeward journey from heliport or similar in accordance to normal itinerary even if the scheduled journey has been changed.

### *16.7 Wage conditions during work stoppage*

Wages are not paid during work stoppage. Wages are calculated at 1/11 of the monthly pay for every day the employee concerned was to have been at work. While work is in progress under section 18.3, the work stoppage is not considered effective in terms of wages for those employees who are at work.

### *16.8 Voting procedures for proposed agreements*

Only those persons who are bound by an agreement may participate in a ballot.

This provision is without prejudice to the right of either of the parties to lead and terminate the wage settlement and conflicts under the rules or by-laws currently in force in the organisations.

## **Chapter XVII**

### **Sympathy action**

#### *17.1 The right to take sympathy action*

The provisions regarding industrial peace in the collective agreements do not restrict the right of companies or employees to participate in a work stoppage in Norway carried out in support of another lawful conflict in Norway provided that NSA or DSO have given their consent. Before any consent is given, negotiations shall be held between these organisations regarding the expansion of the main conflict.

#### *17.2 Negotiations and notice*

Negotiations shall be held within 4 days of being requested.

Notice of work stoppage shall be as laid down in section 16.1.

### *17.3 Support for employees in non-NSA companies*

The period of notice shall be 3 weeks in the case of a sympathy strike in NSA member companies in support of employees of companies, which do not belong to any employers' organisation. If DSO calls a sympathy strike among NSA members because of a conflict in a non-NSA company, DSO shall at the same time call a sympathy strike in similar non-organised companies where such companies exist, but the number of employees involved in the sympathy strike in the other companies shall be approximately the same as the number of employees at the workplaces that are NSA members. The main organisations may agree on exceptions to this rule.

The right of DSO to call a sympathy strike in companies that are NSA members in support of demands against non-organised companies applies subject to the demands not going beyond NSA's collective agreements for similar operations.

### *17.4 Unconditional notice of walkout/work stoppage*

Notice of walkout/work stoppage under this chapter shall be unconditional, unless the main conflict concerns the right to have working conditions determined in the form of a collective agreement at companies where at least half the employees in the part of the operation and/or the category of posts for which an agreement is requested are unionised in a union affiliated to DSO. DSO does not commit to carry out collective dismissals for employees who serve as Platform Managers.

### *17.5 Conditional work stoppage – conflict to protect the freedom of association*

If the objective of the conflict is to protect the freedom of association, DSO have the right to use conditional notice of walkout irrespective of the number of members.

### *17.6 Sympathy action as part of a boycott*

The above provisions in sections 17.1-17.5 are without prejudice to the employees' right to cease work as part of a lawful boycott.

## **Chapter XVIII**

### **Work during a conflict**

#### *18.1 Agreements on safety manning etc.*

The main organisations assume that, where needed, and well before the expiry of the collective agreement, an understanding is reached at the individual company, or within a specific sector covered by the collective agreement, which regulates matters concerning the termination and restarting of operations in a technically proper manner and with due regard to protection, as well as work necessary to prevent hazards to life and health or considerable material damage. If public provisions regarding such agreements exist, the agreement shall comply with such provisions.

The company and the company shop stewards shall make local agreements on this subject. If no agreement is reached in local negotiations, the matter may be brought before the parties to the understanding. If no agreement is reached in these



negotiations, or if one of the parties to the understanding does not approve the local agreement, the matter may be brought before the main organisations. The parties to the understanding may overrule agreements made locally, though not contrary to the restrictions regarding termination referred to in section 18.2.

### *18.2 Duration of agreements on safety manning etc.*

Agreements made as referred to in section 18.1 apply until a new collective agreement enters into force and further until a new agreement has been made. The agreement may be terminated by giving 14 days' notice, but no later than one month before the expiry of the collective agreement in question.

### *18.3 Joint provisions regarding stepping down of operations*

These joint provisions are regarded as an integral part of the local agreement insofar as they are relevant to the company or workplace in question.

All work shall be carried out as normal until the time when the work stoppage becomes effective.

If the consequences of the industrial conflict are such that it becomes impossible to continue operations, activities shall then immediately be stepped down to the extent and in the manner which is appropriate in terms of safety, and if necessary for safety reasons as required by the competent Norwegian or local authorities or operators.

If the operator and/or the company so demand, the connection between the borehole and the drilling unit shall be discontinued, i.e. riser pipes, guiding lines and counterbalance devices shall be removed, and any blow-out preventers raised, so that the drilling unit may leave the area if necessary.

On accommodation units all persons accommodated shall be transferred ashore as soon as practicable. They shall be catered for in the usual way until their departure from the unit.

For other types of unit the procedures for required safety measures should be specified in a local agreement.

Where offshore units are concerned, both the company and the employees have an obligation to comply with the provisions of the competent authority regarding safety manning on board. Where such provisions do not apply a local agreement shall determine how safety manning is to be maintained on the individual unit. For this purpose the unit shall be compared to similar units having safety manning as required by a public authority. The safety crew shall carry out work necessary to avoid hazards to human life or considerable material damage, or work required by the competent authority. This includes catering for persons accommodated on accommodation units necessary for similar reasons. It has been specifically laid down that for units subject to the Maritime Act the platform manager is responsible for assessing what is appropriate and necessary in terms of safety.

## Chapter XIV

### Joint provisions

#### *19.1 Disputes concerning interpretation*

Disputes concerning the understanding of this Basic Agreement may be brought before the Industrial Disputes Court. Only NSA and DSO have the right to bring action under the agreement.

#### *19.2 Situation of the parties*

The Basic Agreement applies between the Norwegian Shipowners' Association (NSA) with its members on the one hand and DSO on the other.

#### *19.3 Scope*

The Basic Agreement constitutes the first part of all collective agreements, which have been or will be established between DSO and NSA.

The Basic Agreement also applies to the mobile offshore units that are NSA members (Norwegian-registered) and are in operation on foreign shelves insofar as this is referred to in a collective agreement.

#### *19.4 Period of validity*

This agreement enters into force on December 13<sup>th</sup> 2010, and remains in force until 31<sup>st</sup> December 2013 thereafter for 3 years at a time unless terminated in writing by one of the parties with 6 – six – months' notice.

THE NORWEGIAN SHIPOWNERS ASSOCIATION  
DE SAMARBEIDENDE ORGANISASJONER

## Appendix 1

### **Addition to the Protocol of 2002 regarding amendment of the existing joint declaration on shop stewards**

In the event of temporary staff reduction owing to curtailment of operations in the company, the local parties shall negotiate on the extent of the need to modify the company's existing shop steward system. In this connection account shall be taken of the expected duration of the staff reduction.

### **Addition to the Protocol of 2003 (2012) regarding modifications of the allocation formula in the joint declaration on shop stewards**

Not less than 50 members      0,50 man-years

Not less than 100 members      1,00 man-years

No less than 250 members      2,00 man- years

No less than 400 members      2,00 man-years + office secretary

No less than 500 members      2,00 man-years + office secretary, alternatively  
3,00 man-years with no office secretary

No less than 700 members      3,00 man-years + office secretary (the maximum  
number)

In companies with more than 400 members which per 1. June 2012 has already hired an office secretary, this can be retained regardless of the above distribution formula.

The term 'members' in this context mean permanently employed workers who are directly covered by the Basic Agreement and for which union dues are deducted by the company.

In companies with more than 1400 members it shall upon request, be negotiated on whether or not there shall be an increase of one full time shop steward.

Other provisions in accordance with the Joint Declaration of 29 June 1998 with later edits.

## **Appendix 2** Framework Agreement on equality between women and men in the workplace

### **Purpose**

Work on matters related to equal opportunities is important for utilizing human resources and promoting generation value.

As an element in achieving equality and equal opportunities, all employees irrespective of gender, must be afforded the same possibilities to use their abilities and talents. This must be on equal terms with regards to employment, salary, training and promotion.

The effort relating to equality is an executive responsibility and it must be anchored within top level management at the enterprise and be followed up by other executives, who must be evaluated based on achieved results.

The parties state that:

- Equality concerns attitudes and norms
- Equality requires co-operation between management and shop stewards
- Equality requires the ability to see the correlation between working life, family life and social life
- Equality shall be included in all strategy and planning documents