



a **science group** company



Plugging & Abandonment Collaborative Environment - PACE

Knowledge Sharing Network

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Executive Summary

OTM Consulting Ltd (OTM) has pleasure in inviting you to become a Member of the Plugging & Abandonment Collaborative Environment (PACE) network. PACE aims to promote collaboration on plugging & abandonment within the oil and gas industry in order to:

- Increase awareness of the global regulations
- Understand capabilities of current and emerging technology
- Share knowledge and experiences to improve operational best practice
- Collaborate on cost effective solutions to common technical challenges.

We recently canvassed our industry contacts to ensure that there was sufficient need for a new forum for collaborative working in plugging & abandonment to bring together the global community to overcome significant industry challenges. The response was overwhelmingly positive, with clear support for launching the forum in September 2016.

OTM proposes a format that enables Members to get maximum value from the forum, while making it cost effective and recognising the desire of interested parties to remain lean and minimise unnecessary expenditure. The meetings will be one day in duration, with a Steering Committee Meeting the previous afternoon/evening and will consist of knowledge sharing presentations and facilitated discussions. The facilitated discussions will include subjects such as case studies, lessons learnt, technology needs, technical standards etc.

To achieve this, OTM proposes 4 meetings per year (assuming the number of Members is 16 or more). Three of these meetings will be regional with videoconferencing facilities to enable remote global participation without international travel. The remaining meeting would be a larger industry event held in a major oil & gas hub (e.g. Houston or Aberdeen), where all members are encouraged to attend in person to benefit from the larger programme, exhibition and informal networking and collaboration opportunities during the breaks.

OTM has over 20 years of running a wide range of knowledge sharing networks and JIPs covering topics from technology management and investor opportunities, through broad disciplines such as drilling and production, to niche technologies and disciplines such as Inflow Control Technology and Geopressure Management. We also have advisory consulting project experience in plugging & abandonment and have worked closely with industry regulators in developing technical standards.

For discussion regarding this proposal, please contact Debbie McIntosh, Senior Consultant, at OTM Consulting Ltd, Great Burgh, Yew Tree Bottom Road, Epsom, Surrey, KT18 5XT (phone: +44 1372 631950, , e-mail: debbie.mcintosh@otmconsulting.com)

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1 Understanding of Industry Requirements

OTM Consulting, owner of 11 oil & gas industry networks and manager of a further 4, is proposing creating a new collaboration forum focusing on P&A. We canvassed our contacts to ensure that there was sufficient industry need for collaborative working in this area to assist in overcoming significant industry challenges. The response was overwhelmingly positive, with clear support for launching the forum in September 2016.

OTM has been engaging with key individuals over the past months to understand exactly what is required. Cost effective plugging and sealing was found to be the primary focus, closely followed by rigless P&A, barrier verification and multi string logging. The priority areas to be addressed by PACE were:

- Global regulations/best practice
- Cost effective plugging and sealing
- Barrier verification and multi string logging
- Rigless P&A
- Novel barrier materials
- Removing equipment, debris, and/or collapsed casings and/or screens

It was apparent from the responses that regulatory requirements and technical challenges are inextricably linked. Although there must be provision for working groups within the forum to develop global industry guidelines or recommended practices in the future, there is a far more immediate need to share understanding on the interpretation of regional requirements through discussion groups. With collaboration amongst the broader user base, there will be impetus for increased technology development as the wider challenges become clear.

2 Proposed Format

OTM propose a format that enables members to get maximum value from the forum, while making it cost effective and recognising the desire of interested parties to remain lean and minimise unnecessary expenditure. To achieve this, OTM propose 4 meetings per year (assuming the number of Members is 16 or more) with opportunities for both knowledge sharing and discussion groups to address particular challenges. Three of these meetings will be regional with videoconferencing facilities to enable remote global participation without international travel. The remaining meeting would be a larger industry event held in a major oil & gas hub (e.g. Houston or Aberdeen), where all members are encouraged to attend in person to benefit from the larger programme, exhibition and informal networking and collaboration opportunities during the breaks.

The meetings will be one day in duration, with a Steering Committee Meeting the previous afternoon/evening and will consist of knowledge sharing presentations and facilitated discussions. The facilitated discussions will include subjects such as case studies, lessons learnt, technology needs, technical standards etc.

2.1 PACE Regional Meetings

- Steering Committee discussion – This is an opportunity for the operator members to come together and discuss the key topics and focus areas that they are experiencing. This will help form the agenda for subsequent meetings, and ensure the network continues to be aligned with member needs. This can be conducted via teleconference for those who cannot travel to the regional meeting.
- Knowledge sharing presentations – A half day will be devoted to presentations from the steering committee and selected members. All members are invited to submit abstracts to OTM for each meeting, with the steering committee making the final agenda decision a minimum of 4 weeks before the meeting. Please note the attendees vigorously shy away from sales and marketing presentations, so presentations are to be technical in nature. These can be delivered via teleconference for those who cannot travel to the regional meeting and will be distributed to the full membership via the PACE website.
- Discussion topics – A half day will be set aside for facilitated discussion on a minimum of two topic areas set by the steering committee. Suggested topics are welcomed from all members, and the discussion will be shared via teleconference at a mutually suitable time (Europe PM, USA AM) so that those unable to travel can still contribute to the discussion.

2.2 PACE Industry Event

- Steering Committee discussion – As in 2.1 but with representatives present in person.
- Knowledge sharing presentations – As in 2.1 but must be delivered in person. As the membership grows it is anticipated that this may be extended to a full day to enable representation from a large cross section of the membership.
- Breakout discussion groups – A half day will be set aside for facilitated discussion on a minimum of three topic areas set by the steering committee. Suggested topics are welcomed from all members, with each group presenting a summary of the discussion to the other groups at the end.
- Technology showcase/ exhibition – There will be the option for all member companies to provide a stall or poster display outlining their offering. The attendees will be able to view the showcase/ exhibition during breaks in the programme.

2.3 PACE Website and Message Boards

- Continuous collaboration between members possible through secure members' only section of website
- Will be used to help define discussion topics to feed into the steering committee meetings

- Ability to pose questions to the members
- One location to access all PACE information and documentation

In recognition that this is a new network, as the number of Members increases the industry event, quantity of the regional network meetings and hosting responsibilities will vary. This is summarised in Table 1.

| No. of Network Members | Member Hosted Launch Meeting | No. of Member Hosted Regional meetings | No. of Network Funded Regional meetings | Member Hosted Industry Event | Network Funded Industry Event | Review of Other Services |
|------------------------|------------------------------|--|---|------------------------------|-------------------------------|--------------------------|
| 0 - 5 | Yes | 2 per year | 0 per year | No | No | No |
| 6 - 10 | Yes | 1 per year | 0 per year | Yes (1 per year) | No | No |
| 11 - 15 | Yes | 2 per year | 0 per year | Yes (1) | No | No |
| 16 - 20 | Yes | 3 per year | 0 per year | Yes (1) | No | No |
| 21 - 25 | Yes | 3 per year | 0 per year | No | Yes (1) | No |
| 26 - 30 | Yes | 2 per year | 1 per year | No | Yes (1) | Yes |
| 31 + | Yes | 0 per year | 3 per year | No | Yes (1) | Yes |

Table 1: Summary of meetings and events based on number of Members

The formal launch of the PACE network will be subject to OTM receiving 10 signed Membership Application Forms.

3 Why OTM?

3.1 Proposed Project Team

This provision of the membership services for the PACE network described in this membership proposal will be led by an OTM Network Manager, directed by the OTM Networks Practice Leader, and supported by an OTM Network Project Manager.

All OTM staff have a strong E&P technology base, which is coupled with expertise in technology management, as well as experience of working alongside senior technology managers.

3.2 Experience and Benefits

OTM Consulting is a leading firm of independent technology management consultants, specialising in the evaluation, commercialisation and implementation of upstream oil and gas technologies.

OTM enables companies in the oil and gas sector to extract maximum value from their investments in R&D and technology. This value proposition is founded on a unique combination of areas where OTM has particular expertise:

- Identifying technology opportunities and threats for your business
- Deciding which technologies to invest in, and how best to do that
- Applying technologies better and faster
- Engaging with technology practitioners

We provide a unique combination of services in market intelligence, strategy development, technology commercialisation, and knowledge management. These services are underpinned by technical knowledge of the oil and gas sector and related technologies, and by an extensive network of more than 14,000 senior-level contacts worldwide which gives us direct access to technology appliers and practitioners.

Our clients include more than 40 oil companies around the world, as well as more than 80 of the major service companies and suppliers, and numerous technology providers/universities and investors.

OTM has over 20 years of running a wide range of knowledge sharing networks and JIPs covering topics from technology management and investor opportunities, through broad disciplines such as drilling and production, to niche technologies and disciplines such as Inflow Control Technology and Geopressure Management.

Examples of some of the OTM run JIPs that are focused on development of standards are: AWES, a JIP focused on the development of industry standards for advanced well equipment; SEPS, an operator led JIP that is developing industrial standards for subsea electrical power systems and SIIS, a JIP that has produced a recommended practice for standardising the interface between subsea sensors and the subsea control system.

OTM has undertaken a variety of projects in the area of plugging & abandonment, which has given us deep experience and enabled us to develop methodologies and tools. Examples of these projects include:

- **Technology gap analysis for large UKCS operator:** We designed and delivered a well plugging and abandonment roadmap and supporting R&D programme for a top independent oil company. The project was based on understanding of the current and future needs of the company, development of the technology roadmap, a feasibility study and determination of an accurate timeline based on close collaboration with vendors and developers. We then developed tailored research scope, stage-gate processes and key performance metrics.
- **Global trend survey on decommissioning and well abandonment:** We performed a systematic review of public domain information and supplemented by first-hand feedback reporting of best practices from industry experts and oil company practitioners. We developed system selection criteria based on environmental and regulatory factors and identified critical operational requirements and key technical challenges currently being addressed around the

world. The output is being used by Japanese oil & gas companies to aid in their decommissioning planning.

Formed in 1993, OTM now has 30 staff, all of whom have an engineering or science-based background and a deep understanding of oil and gas sector technologies, coupled with expertise in technology management, and experience of working with oil companies and technology providers. OTM has 3 main offices where our staff are based - in London (Guildford), Dubai and Houston.

We ensure a rigorous understanding of technology needs/gaps and the latest technology developments across the upstream industry, by ensuring that each of our consultants has a good understanding of the whole sector, combined with a more in-depth knowledge of, for example, geosciences, drilling, wells, or facilities. This is based on the technical background of the individuals and their ongoing projects.

Further information on OTM Consulting can be found at www.otmconsulting.com.

4 Membership Benefits

4.1 Annual PACE membership

Membership of the PACE network is open to any entity having an interest in plugging & abandonment. This will include: operators, contractors, suppliers, research & technology development (RTD) & academic organisations, consultants and independent technology experts. Such a wide membership provides value for Members through interaction between the different parties, and will provoke wide-ranging discussion on issues.

Membership of the PACE network is intended to provide the following benefits:

- Being part of a comprehensive global network of operators, contractors and suppliers, together providing a pan-industry focus for plugging & abandonment in the upstream oil and gas industry
- Attendance for a minimum of 3 representatives at facilitated technical workshops
- Access to shared knowledge resources and all presentations/minutes from workshop meetings through a dedicated website (with secure members' only area)
- Knowledge sharing of lessons learnt between members
- Identification, prioritisation and dissemination of technology needs and gaps
- Access to proposals for innovative solutions at workshops etc.
- Is complementary to, and adds value to other initiatives in this sector
- Low cost to Members
- The opportunity to contribute to, and gain from, the identification of the leading technological challenges concerning plugging & abandonment
- Access to a single administrative focal point provided by the PACE secretariat at OTM

4.2 Founding members

Members who apply to join the PACE network prior to 1st September 2016 will be recognised as Founding Members and will be consulted during the planning of the PACE Launch Meeting. It is expected that one of the Founding Members will host the Launch Meeting which will take the format of the PACE Industry Event as detailed in Section 2.2. Founding Members will benefit from:

- Company name and logo on the PACE Launch Meeting agenda, programme and all advertising for the PACE Network in 2016
- Recognised globally as committed to increasing collaboration in plugging & abandonment through advertising on the PACE website, including link to your company
- Speaker consideration for the PACE Launch Meeting through representation on the event Steering Committee
- Preferential agenda slots
- Poster display outside of main conference room throughout the PACE Launch Meeting

5 Membership Services

5.1 Provision of secretariat

OTM will provide a comprehensive secretariat for the PACE network, comprising the following services:

- Promoting and managing interest in the network
- Establishing membership agreements for PACE
- Providing a single point of focus for PACE
- Bringing together technology interests and industry issues, ensuring PACE operates at the leading edge
- Document control and maintenance of mailing list(s)
- Provision and maintenance of a network-specific website, with private members' area and discussion board
- Promoting the network with the aim of widening PACE membership
- Liaison with related initiatives and projects (as agreed by the members and OTM)

In addition to the Membership Services described in this membership proposal, OTM and the members may also agree under separate proposals for the provision by OTM of other services as agreed by OTM and the members.

5.2 Meetings

OTM proposes 4 meetings a year (assuming the number of Members is 16 or more), made up from a combination of Regional Meetings and an Industry Event. The Regional Meetings will be smaller in size, and half-day will be fully accessible via videoconference. The Industry Event would be a larger industry forum held in a major oil & gas hub (e.g. Houston or Aberdeen), where all members are encouraged to attend in person to benefit from the larger programme, exhibition and informal networking and collaboration opportunities during the breaks.

The meetings will be one day in duration, with a Steering Committee Meeting the previous afternoon/evening and will consist of knowledge sharing presentations and facilitated discussions. The facilitated discussions will include subjects such as case studies, lessons learnt, technology needs, technical standards etc.

5.3 Administration

OTM will liaise with the designated host of each meeting (or as appropriate, for each teleconference) at least 8 weeks before the meeting to confirm the arrangements for the upcoming meeting and to obtain host, venue and travel details. OTM will prepare meeting materials such as agenda, name badges, attendee list, maps and joining instructions and will produce minutes, including the presentation slides.

Where possible, minutes will be distributed to members within 2 weeks of meetings and mounted on the website as part of the PACE knowledge resource.

5.4 Hosting

As the PACE network becomes established, Members will be required to host the PACE Launch Meeting, and a number of the PACE Regional Meetings and PACE Industry Events until the membership is sufficient to support this as described in Table 1.

Meeting hosts will be required to provide meeting facilities to accommodate the anticipated number of attendees (provided by OTM) with videoconferencing facilities, lunch and refreshments. Initially, hosts will be required for PACE Steering Committee Meetings, PACE Regional Meetings and the PACE Industry Event. In the event of conference facilities not being available of the size required, then hotel

facilities should be sought to accommodate the number of attendees. OTM will advise hosts on requirements. Hosts will benefit from:

- Named on the PACE website, advertising material and agenda host of the meeting
- Host editorial article in PACE programme
- Welcome speech on arrival and/ or meeting round up at the end of the meeting

5.5 Facilitation

It is expected that a chairman who is a technical expert on the issues being discussed, will be appointed from amongst the members of the PACE Steering Committee. Alternatively, and when appropriate, the OTM Network Manager will chair the meeting.

OTM's facilitation of the meetings will include break-out group discussions, keynote sessions and other activities where appropriate and where suggested by the meeting chairman.

5.6 Website

A dedicated PACE website with a public-access area and a members-only area protected by password will be set up. It will be created and maintained by OTM and will provide:

- Promotion of PACE (public access)
- Case histories (members only)
- Membership details (public access)
- News (public access)
- Links to member websites (public access)
- Non-confidential technology information (public access)
- Minutes and presentations from meetings and other PACE documentation (members only)
- Q&A discussion group (members only)

OTM will be responsible for ongoing website design and improvements as recommended at meetings, provision of passwords to users and responding to IT queries received from users. The website could also provide a versatile platform for future developments. The website will be registered with all major search engines in order to maximise the number of hits on the site and hence awareness and knowledge of PACE.

5.7 Other services

In addition to the membership services described in this membership proposal, OTM and the members may also agree, under separate proposals, for the provision by OTM of other services as agreed by OTM and the members as the network matures for an additional fee. These services may include the following possibilities:

- Database of experts/members
- Best practice guidelines
- Identification and database of technology gaps/needs
- Training programmes
- Collaborative field trials

6 Steering Committee

All operator members of PACE will automatically have a place on the Steering Committee.

- The Member shall be entitled to nominate one Representative to be a member of a Steering Committee and such Representative shall have one voting right.
- The Steering Committee shall agree to meet periodically including the evening/ afternoon preceding each meeting and shall have the responsibility for considering and approving the network programme.
- Any matters referred to the Steering Committee for decision shall be decided by the affirmative vote of not less than two-thirds of its members. A Representative who is unable to attend meetings shall be allowed to send a deputy who shall have the power to vote on his or her behalf or shall give a written proxy to vote on his or her behalf to the Network Manager.
- The Participant shall be responsible for all costs incurred by its Representative in connection with his or her attendance at a meeting of the Steering Committee.
- Steering Committee Members are obliged to contribute to each meeting by either leading a discussion group/ topic or providing a knowledge sharing presentation.

7 Membership Application

To become a Member, applicants must sign and return the Application Form set out in Section 10 of this proposal. OTM will inform the applicant by email of the outcome of their application and if successful will countersign and return a scanned copy of the Membership Application Form in Section 10. Membership shall take effect from the date on which the Membership Application Form is signed by both OTM and the Member.

Once the PACE network exceeds 30 Members, subsequent applications will be considered by the Steering Committee. OTM will inform the applicant by email of the outcome of their application and if successful will countersign and return a scanned copy of the Membership Application Form in Section 10. Membership shall be approved once the Membership Application Form has been signed by both OTM and the Member.

The PACE network's standard membership year runs from 1st January to 31st December. At the end of each membership year, each Member's membership will renew automatically for another year, unless terminated prior to the renewal date.

Members may terminate their membership by written notification to OTM. Any such termination will take effect at the end of the membership year (1st January to 31st December) in which notification was received by OTM.

The PACE network's current joining fee and current annual membership fee are as set out in Section 8 of this Membership Proposal. These fees are subject to UK VAT (where applicable) at the prevailing rate (currently 20%).

Both the joining fee and the annual membership fee are subject to review by OTM. Any change to the annual membership fee will be notified to Members prior to the commencement of the following membership year.

The annual membership renewal fee is due and payable from 1st December each year for the following membership year (1st January to 31st December). If membership renewal fees are not received by OTM in cleared funds within 6 months of their becoming due and payable, all membership privileges shall cease in relation to the Member whose fees are outstanding.

8 Membership Fees

8.1 Membership costs

The standard membership period is 1 year and the annual membership fee per member for the period 1st January 2017 to 31st December 2017 is GBP £5,000 per annum.

This may be reviewed in subsequent years. On signing the Membership Application Form, members will be invoiced for this fee.

A one-off joining fee of GBP £1,000 will be invoiced on signature of the Membership Application Form, to cover set-up costs.

Each Member shall pay to OTM all fees, expenses and other charges set out in or calculated in accordance with this Agreement which are payable by them within 30 days of the date of the relevant invoice. All such sums are exclusive of VAT, sales and similar taxes.

8.2 Late joining fee

Any applicant who applies successfully to join the network after the 1st January in any membership year shall still be required to pay the full annual membership fee for that year (plus the one-off joining fee) but, after doing so, shall be entitled to receive all deliverables from the beginning of the membership year in which they joined.

8.3 Membership term

This Agreement shall take effect from the date on which this membership proposal is signed by both OTM and the Member and shall continue until the dissolution of the PACE network unless terminated sooner in accordance with Section 8.4 below.

8.4 Termination date

If the Member wishes to leave the PACE network at any time without cause, it may do so by giving notice in writing to OTM. If OTM wish to resign from the provision of secretariat services to the PACE network at any time without cause, it may do so by giving notice in writing to the Steering Committee. In each case termination will take effect at the end of the membership year in which notice is received by OTM or the Steering Committee (as appropriate).

No refund of joining or membership fees will be made following termination. Invoices for joining and/or membership fees properly issued prior to the date of termination will be honoured by the Member. The Member will be entitled to all results from the PACE network prior to termination.

The Steering Committee can vote to terminate OTM's Services and/or the Member's membership at any time with immediate effect on written notice to the other if:

- a. OTM or the Member (as appropriate) commits a material or persistent breach of these Terms and Conditions (including, but not limited to, a failure to pay any joining and/or annual membership fee by the due date) and that breach is either irremediable or if capable of remedy is not remedied within 30 days of written notice to do so; or
- b. OTM or the Member (as appropriate) either commits an act of bankruptcy, makes any arrangement with their creditors, goes into voluntary or compulsory liquidation (except a voluntary solvent liquidation for the purposes of amalgamation or reconstruction), has a receiver or administrative receiver appointed over any of their assets, or applies for or is the subject of an administration or winding up order; or if any analogous event occurs in any jurisdiction in respect of the other party.

Any queries regarding this proposal or the membership application form should be addressed to Debbie McIntosh, at OTM Consulting Ltd (Tel: +44 1372 631950: Email: debbie.mcintosh@otmconsulting.com

9 Contractual Arrangements

OTM's provision of the Membership Services to the Member is subject to the following terms of business:

9.1 Definitions

In these terms of business:

- i. **"Agreement"** means these terms of business and the membership proposal into which these terms have been incorporated. If there is any conflict or ambiguity, the proposal shall take precedence;
- ii. **"Anti-Bribery and Anti-Corruption Laws"** means the United States Foreign Corrupt Practices Act of 1977 and the United Kingdom Bribery Act 2010 (as amended from time to time) and all other applicable national, regional, provincial, state, municipal or local laws and regulations that prohibit corruption and/or the bribery of, or the providing of unlawful gratuities, facilitation payments or other benefits to, any government official or any other person;
- iii. **"Group Company"** means any company which controls, is controlled by or is under common control with a party to this Agreement;
- iv. **"Intellectual Property"** means patents, rights in inventions, conceptual solutions, discoveries and improvements, copyrights, database rights, trademarks, and any other industrial or intellectual property right, in each case whether registered or unregistered and including all applications and rights to apply for any of the same, which now or will in the future subsist, in any part of the world;
- v. **"Member"** means the individual, company or other entity which is or becomes a member of the PACE network under this Agreement
- vi. **"Membership Services"** means the secretariat work for the PACE network to be provided by OTM as described in the membership proposal.
- vii. **"OTM"** means OTM Consulting Limited whose registered number is 02856199;

9.2 Performance of services

- 9.2.1 The Member shall participate in and contribute to the PACE network in a professional, fair and responsible manner.
- 9.2.2 OTM will use its reasonable endeavours to ensure that the PACE network is managed as specified in the membership proposal.
- 9.2.3 OTM shall use reasonable endeavours to meet any timescales set out in the membership proposal or otherwise in the course of the Membership Services. However, all such timescales are estimates and not guaranteed.
- 9.2.4 OTM may sub-contract the Membership Services to third parties. OTM will be responsible for the performance of the Membership Services by such third parties.
- 9.2.5 The provision of the Membership Services is subject to any assumptions, and to the provision by the Member of any information or assistance, referred to in the membership proposal. OTM shall not be liable for any failure to provide the Membership Services in accordance with the membership proposal resulting from the inaccuracy of such assumptions or the failure by the Member to provide such information or assistance.
- 9.2.6 OTM does not guarantee that the PACE website or any content on it will always be available or be uninterrupted. In accessing or using the website, the Member agrees not to
 - i) disrupt, interfere with or restrict the use of the website by other members;

- ii) upload, post to, display or transmit any content or materials through the website which are false, offensive, defamatory, misleading, abusive, unlawful or which violate, breach or infringe the rights of any third party;
- iii) probe, scan or test the vulnerability of the website or circumvent or hack any user authentication or security controls in respect of the website or attempt to do so; or
- iv) change, modify, delete, interfere with or misuse any content or data contained on the website provided by or relating to OTM.

9.3 Fees and payment

- 9.3.1 Project materials and travel and subsistence expenses shall be charged at cost plus 12.5%.
- 9.3.2 Without prejudice to any other right or remedy OTM may have, if the Member fails to pay any sums due under this Membership Agreement by the relevant due date, OTM reserves the right to:
- i) suspend performance of the Membership Services until payment is received in full; and/or
 - ii) charge interest (which shall accrue on a daily basis from the due date) to the Member on the overdue amount at the rate of 4% per annum above the Bank of England's base rate from time to time. OTM also reserves its rights under the Late Payment of Commercial Debts (Interest) Act 1998.
- 9.3.3 If any deduction or withholding is required by law in relation to any payments due under this Membership Agreement, the Member will gross up the payment such that after deduction or withholding of the appropriate amount OTM receives the full amount of the invoice.
- 9.3.4 Without prejudice to its other rights, the Member shall make all payments to OTM under this Membership Agreement free of set off or counterclaim.
- 9.3.5 All costs incurred by the Member in connection with organising and/or attending meetings shall be the responsibility of the Member.

9.4 Confidential information

- 9.4.1 In this Membership Agreement “**Confidential Information**” means the proprietary or confidential information of either party, its Group Companies or any third party which is disclosed by OTM, the Member or any other Member of the PACE network (“Disclosing Party”) or its/their Group Companies to OTM and/or the Member (as appropriate) (“Receiving Party”) or its Group Companies in connection with this Membership Agreement, but shall exclude any information which the Receiving Party or its Group Companies can show:
- i) was in the public domain at the time of disclosure or was subsequently published or made available to the public generally otherwise than through a breach of confidentiality owed to the Disclosing Party or its Group Companies;
 - ii) was at the time of disclosure already known to or in the possession of the Receiving Party or its Group Companies free from any obligation of confidence;
 - iii) is subsequently received by the Receiving Party or its Group Companies from a third party who does not owe any duty of confidence to the Disclosing Party or its Group Companies; or
 - iv) was subsequently independently developed by the Receiving Party's employees, officers or sub- contractors or those of its Group Companies (“Representatives”) without use of the Disclosing Party's Confidential Information
- 9.4.2 The Receiving Party shall, for a period of 2 years from the date of disclosure, treat the Disclosing Party's Confidential Information as confidential and, in particular, shall not, without the prior written consent of the Disclosing Party:
- i) use or copy any of the Disclosing Party's Confidential Information for any purpose other than the purposes of this Agreement; or

- ii) disclose or, through any failure to exercise reasonable care, cause any unauthorised disclosure of any of the Disclosing Party's Confidential Information except to those of its Representatives or those other members of the PACE network who may need to have such Confidential Information in connection with the purposes of this Agreement and who are bound by appropriate obligations of confidentiality.

9.4.3 Each party shall be liable for the acts and omissions of its Representatives as if they were its own under this clause 9.4.

9.4.4 Nothing in this Membership Agreement shall restrict the Receiving Party or its Group Companies from disclosing any of the Disclosing Party's Confidential Information to the extent required by any applicable law, regulation or court order or the rules of any relevant listing authority.

9.4.5 Notwithstanding any other clause of this Membership Agreement, OTM may publicly name the Member as a Member of the PACE network.

9.5 Disclaimer

9.5.1 Any reports supplied by or on behalf of OTM in the course of the Membership Services shall be subject to the following disclaimer: "The information contained in this document is believed to be accurate, but no representation or warranty, express or implied, is made by OTM Consulting Ltd as to the completeness, accuracy or fairness of any information contained in this document, and we do not accept any responsibility in relation to such information, whether fact, opinion or conclusion, that the addressee may draw."

9.5.2 Except as expressly set out in this Membership Agreement, each party hereby excludes all warranties, conditions, terms and undertakings, express or implied, whether by statute, common law, trade practice, custom, course of dealing or otherwise (including without limitation as to quality, performance or fitness or suitability for purpose) to the fullest extent permitted by law.

9.6 Liability

9.6.1 Nothing in this Membership Agreement shall limit the liability of either party in any circumstances where liability cannot be limited by law.

9.6.2 Subject to clause 9.6.1, OTM shall not be liable to the Member, whether in contract, tort, negligence, breach of statutory duty or otherwise, for any loss arising out of or in connection with this Membership Agreement and/or the provision of the Membership Services, which are due to the Member and/or any other member of the PACE network not meeting any of their obligations under this Membership Agreement and/or any other agreement relating to the PACE network.

9.6.3 Subject to clauses 9.6.1 and 9.6.2, neither party shall be liable to the other party, whether in contract, tort, negligence, breach of statutory duty or otherwise, for any loss of profit, revenue, goodwill or business opportunity, for any pure economic loss or for any indirect or consequential loss, damage, costs or expenses arising out of or in connection with this Membership Agreement and/or the provision of the Membership Services.

9.6.4 Subject to clauses 9.6.1 to 9.6.3, OTM's total aggregate liability to the Member, whether in contract, tort, negligence, breach of statutory duty or otherwise, arising out of or in connection with this Membership Agreement and/or the provision of the Membership Services, shall be limited to the total fees paid or payable by the Member to OTM under this Membership Agreement in the relevant membership year in which such liability arises.

9.7 Anti-bribery and anti-corruption

9.7.1 The Member and OTM each represent and warrant that: (a) it is knowledgeable about those Anti-Bribery and Anti-Corruption Laws applicable to the PACE Network, its Membership or Services (as appropriate) and this Membership Agreement and that it will comply with all such laws; (b) neither it nor any of its Group Companies, nor any employee, officer or other person acting for or on behalf of the same have made, offered or authorised or will make, offer or

authorise any payment, gift, promise or other advantage, including a facilitation payment, in connection with the PACE Network and/or this Membership Agreement.

- 9.7.2 The Member and OTM undertake to immediately notify the other party if in connection with the PACE Network and/or this Membership Agreement, it receives or becomes aware of any request from any person for any payment, gift, promise or other advantage of the type mentioned in Clause 9.8.1.
- 9.7.3 The Member and OTM and their Group Companies shall maintain adequate internal controls and procedures to assure compliance with Anti-Bribery and Anti-Corruption Laws including but not limited to procedures to ensure that all transactions are accurately recorded and reported in its books and records to reflect truly the activities to which they pertain such as the purpose of each transaction and to whom it was made or from whom it was received.

9.8 General

- 9.8.1 No terms and conditions referred to or set out in any purchase order or other document provided by the Member shall form part of this Membership Agreement nor apply to the provision of the Membership Service
- 9.8.2 Each party undertakes during the performance of the Membership Services and for 12 months from the date of termination of this Membership Agreement not to directly or indirectly solicit any employee or contractor, or ex-employee or ex-contractor, of the other parties who is or has been engaged in the performance of the Membership Services. This clause does not prevent either party from advertising for staff in the public media.
- 9.8.3 No party may assign any of its rights or obligations under this Membership Agreement save that OTM may assign this Membership Agreement to any of its Group Companies or to a purchaser of the whole or any part of its business.
- 9.8.4 This Membership Agreement contains the entire agreement between the parties with respect to its subject matter and supersedes all prior agreements, discussions and negotiations, whether written or oral, relating to the same. However, nothing in this Membership Agreement shall exclude or limit any party's liability for fraud.
- 9.8.5 Variations or additions to this Membership Agreement shall only be valid if in writing and signed by an authorised signatory of each party.
- 9.8.6 A delay or omission by a party in exercising its rights or remedies hereunder shall not be deemed to be a waiver of such right or remedy on that or any future occasion.
- 9.8.7 No third party shall have any right to enforce any term of this Membership Agreement, save that any other member of the PACE network shall have the right to enforce a breach of the obligations owed to them under clause 9.4 above.
- 9.8.8 The parties are independent contractors and nothing in this Agreement shall constitute or imply any partnership, joint venture, agency or fiduciary relationship between the parties.
- 9.8.9 No party shall be liable for any delay in the performance of its obligations under this Membership Agreement resulting from circumstances beyond its reasonable control. The party affected will as soon as reasonably possible give notice to the other parties of the occurrence of such circumstances
- 9.8.10 Notices under this Membership Agreement shall be in writing and delivered to the address given in this Membership Agreement or as otherwise notified in writing. Notices shall only be deemed to have been delivered and received:
- i) if sent by guaranteed next working day delivery service, at the time of delivery recorded by the delivery service; or
 - ii) if sent by courier, at the time of delivery recorded by the courier.
- 9.8.11 If any provision of this Membership Agreement is judged to be invalid, illegal or unenforceable, such provision shall be severed from this Agreement and the remainder of the provisions shall so far as possible continue in full force and effect.

- 9.8.12 Any provision of this agreement that expressly or by implication is intended to come into or continue in force on or after termination or expiry of this Membership Agreement shall remain in full force and effect.
- 9.8.13 This Membership Agreement may be executed in any number of counterparts, each of which when executed shall constitute a duplicate original, but all the counterparts shall together constitute the one agreement.

9.9 Law and jurisdiction

This Membership Agreement shall be governed by and construed in accordance with English law and both parties hereby irrevocably submit to the non-exclusive jurisdiction of the English courts.

10 Membership Application Form

If you wish to apply to become a Member of the PACE network and agree to OTM Consulting Limited providing the Membership Services for the PACE network, as set out in, and subject to the terms of, this Membership Agreement, please sign the application form below and return one copy to Debbie McIntosh at the address given below. Should you wish to discuss the contents of this document further then please contact Debbie McIntosh in our Epsom office.

Parties:

..... (the Member)

and

OTM Consulting Ltd (Registered No. 2856199) having its registered office at Great Burgh, Yew Tree Bottom Road, Epsom, Surrey KT18 5XT, United Kingdom

Project:

The Plugging & Abandonment Collaborative Environment (PACE) network management, as more fully described in the PACE Membership Proposal, Conditions and Membership Application Form, PR30999, dated 6th July 2016

Signed:

Signed:

For OTM Consulting Ltd:

For Member:

Sarah Cole

Name:

Group Legal Counsel.....

Title:

Date:

Date:

Purchase Order number (if applicable):

Invoices for attention of:

Address for invoice purposes:.....

Company groups (please check one box only):

- Oil & gas operating companies
- Service Company
- Other

Primary PACE representative:

(Communications from OTM & PACE, other than invoices, will be sent to the primary representative)

Surname:

First Name:

Title:

Address

(If different from above)

Telephone:

Email:

Payment instructions & information:

Initial Membership fee for 1 year: **£5,000** excludes UK VAT

Plus Joining Fee payable in first year of Membership: **£1,000** excludes UK VAT

- Payment by cheque: Make cheque payable to OTM Consulting Ltd.
- Invoice, please provide purchase order number
- Bank transfer: Please contact OTM for bank details.
- Bank credit card: Please provide OTM with card details (Mastercard & Visa only).
Please note a 5% fee will be made for credit card transactions.



About OTM Consulting Ltd

OTM Consulting is an international oil & gas technology advisory, development and deployment consulting company. With over 22 years industry experience, we help oil & gas companies to maximise the value from their investments in R&D and technology.

Our services aim to help you understand market & technology opportunities, trends and risks; decide which technologies to invest in and how; develop innovative technology solutions; and deploy technologies better and faster. With science and technology at the core of everything we do, and a team of industry specialists in reservoirs, wells, subsea, deepwater, unconventional and operations, we are committed to delivering insight and innovation and are passionate about seeing R&D serve our industry.

OTM Consulting is a Science Group company

About Science Group plc

Science Group plc offers independent advisory and leading-edge product development services focused on science and technology initiatives. Its specialist companies, Sagentia, Oakland Innovation, OTM Consulting and Leatherhead Food Research, collaborate closely with their clients in key vertical markets to deliver clear returns on technology and R&D investments. Science Group plc is listed on the London AIM stock exchange and has more than 350 employees, comprised of scientists, nutritionists, engineers, mathematicians and market experts.

Founded in 1986, Science Group was one of the founding companies to form the globally recognised Cambridge, UK high technology and engineering cluster. Today Science Group has two dedicated, UK-based R&D innovation centres in Cambridge and Epsom, and additional offices in London, Boston, Houston and Dubai.

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